



Standards and Audit Committee

Tuesday, 24 January 2023 at 7.30 pm

Council Chamber - Civic Centre

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.
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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.

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	To confirm and sign as a correct record the Minutes of the meeting held on 22 November 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.
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Public Document Pack Agenda Item 2

RBC SAC 22.11.22

Runnymede Borough Council

Standards and Audit Committee

Tuesday, 22 November 2022 at 7.30 pm

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

Members of the Committee absent: Councillors A Berardi, L Gillham, J Olorenshaw and S Walsh.

360 **Minutes**

The Minutes of the meeting of the Committee held on 20 September 2022 were confirmed and signed as a correct record.

361 **Apologies for Absence**

Apologies for absence were received from Councillors A Berardi, L Gillham, J Olorenshaw and S Walsh.

362 **Declarations of Interest**

There were no Declarations of Interest to record.

363 **Summary Internal Controls Assurance (SICA) Report 2022/2023**

The Committee received for information, TIAA's report summarising progress with the Internal Audit Programme.

Members were pleased to note that all audits from the 2021/2022 were now complete and had returned 'substantial' outcomes for Communications and Main Accounting, and 'reasonable' outcomes for Customer Services and Sheltered Accommodation (Independent Retirement Living).

There was one priority 2 recommendation arising from the Sheltered Accommodation audit to ensure the correct cost codes and payments received were recorded on Total Finance.

TIAA reported that since the agenda had been printed 2 draft reports had been issued on Commercial Rents and HR Absence Management, and a further 2 concerning Community Grants and Recruitment would commence in December 2022. Members noted that Community Grants had commenced in September but had been put on hold at the request of the client. The 'fieldwork in progress' stage had also been achieved in another 2 audit areas; these were Main Accounting and Capital Accounting, both key areas of the Council's work. This was in addition to the 13 reported on the agenda.

There were two audits in Quarter 2 which had yet to have commencement dates owing to the difficulty of finding specialist ICT auditors. Officers were confident however that dates could be set shortly.

The planned audit on the 'Leisure Contract' had been cancelled.

Officers reported that a full report on the findings and recommendations of the Redmond Review, principally the creation of a new Audit Regulator and associated powers and duties, would be submitted to a future meeting of the Committee. This would also address how an Independent Person (separate to the one dealing with matters under the Councillor

Code of Conduct) might be appointed.

Officers were asked to re-circulate two client briefing notes that TIAA had issued. These were regarding an all-England consultation on extending the National Fraud Initiative and announcing the results of the five year local authority procurement, which saw two key firms, including BDO, who conducted the Council's external audit leaving the local audit market.

TIAA's Officers looked forward to updating Members at the next meeting with the latest audit progress.

364 **Internal Audit Progress Report for outstanding Recommendations at the Depot only**

The Chairman welcomed the Corporate Head of Environmental Services and the DSO Manager to the meeting.

The Committee received a report concerning 5 outstanding priority 1 and 2 recommendations from audits of the Council's DSO, the first one of which went back to 2018. These were to:

- create a separate risk register for DSO operations (revised implementation date, 30 April 2023);
- undertake annual training for staff, create a central training log and update the DSO's procedure manual (revised implementation date, 30 March 2023)
- review security arrangements and ensure adequate surveillance arrangements (revised implementation date, 30 June 2023)
- consider the purchase of an optimisation route package in Bartec (revised implementation date, 31 October 2025)
- introduce detailed stock take procedures to be documented and a re-order level established where appropriate (revised implementation date, 30 April 2023)

TIAA had reported little progress with these recommendations being implemented on various occasions since 2019, although it was accepted that in part they pre-dated the present senior management and the Chairman was keen to stress the Committee's role was as 'critical friends', rather than being overly critical.

With regard to producing a risk register, so that key risks and how they were controlled and managed could be evidenced, Officers confirmed that the register was now in draft form, and in a logical format. Members were advised that now some key posts had been recruited to and or newly created and filled, completion of the registers could be achieved. It was anticipated this could be done ahead of the revised deadline, but Officers were asked to let the Committee know if this was not going to be the case well ahead of that deadline.

In respect of training, Officers were confident that this would be complete before 30 March 2023, with a number of weekend training dates booked for staff. It was noted that all new starters had induction training and a comprehensive training programme had been introduced to include a reversing assistant/banksman train the trainer course and the Terberg train the trainer course on loading bins using the lifting mechanism. There were also plans to do first aider and lone working training, the dates of which to be confirmed. Particular mention was made of the DSO's new dedicated full time Health and Safety Officer which was a positive appointment.

Members were concerned that site security, including the gate that had been subject to frequent breakdowns was addressed. The Committee was assured that the gate had been upgraded and site security improved. Adequate surveillance would be covered by the depot's refurbishment, being managed by the Council's Assets and Regeneration team. There were limitations however owing to the close proximity of residential dwellings to the

rear of the depot.

It was agreed that the recommendation about the route optimisation element of Bartec be put on hold to be revisited when TIAA conducted their next audit in 2023/2024. This was because the future operation of waste management could be changed by DEFRA's emerging strategy. In addition, a bid for funding would need to be submitted to Corporate Management Committee to upgrade the Bartec system which was currently only operating at 60% efficiency.

A detailed stock take procedure was yet to be implemented and Officers explained the current issues with the lead in period for ordering items that were branded with the Council's logo which made it difficult to pool orders with other local authorities. This would be checked in the next audit.

Members discussed the importance of health and safety in what was the most risky in-house service the Council provided. Officers assured the Committee that a culture of supporting staff and reporting accidents and near misses was in place. The DSO accident record was low, Officers estimated there were approximately 5 in the last year, of which 2 were reportable under RIDDOR. The importance of deploying a reversing assistant was noted with particular reference to areas in Egham. Officers also confirmed that the crews were moving towards being provided with orange high vis clothing which it was considered was superior to yellow.

Officers highlighted some of the areas where the DSO was performing well compared with other local authorities such as in Recycling where the 'contamination rate' had fallen from 17.1% to 4%, in 2020/2021, with crews having been trained and more confident to report. Officers stated that Runnymede was very lucky to have an in-house service, had the lowest missed bins rate in Surrey and cleaner streets than many others.

In terms of future deadlines for implementation of audit recommendations, the Chairman announced that the Committee would be playing a more active role in setting target dates and enforcement thereof.

The Committee thanked Officers for attending the meeting and commended the staff at the DSO.

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

The Committee noted outstanding recommendations from previous audits in the 2022/2023 audit programme.

Members appreciated that this was an on-going process and that as new audits were completed and old recommendations were implemented, new ones would take their place. It was noted that since the last meeting, a follow up review had taken place in October. This revealed that five recommendations had reached their target implementation date and four had been implemented.

The Outstanding recommendations, excluding the DSO ones dealt with separately at the meeting, concerned Business Continuity, two regarding Mobile Device Security Management, and two in respect of Procurement for which the implementation dates had not been set owing to resourcing issues and links to emerging plans and strategies.

Members agreed that interim dates for Procurement would be 31 March 2023, subject to future plans for the development of the Procurement Service.

366 **Counter Fraud Service Update**

The Committee's approval was sought to extend the Council's Counter Fraud Service

agreement with Reigate and Banstead Borough Council (RBBC) for a further three years from 1 April 2022 to 31 March 2025. Officers also recommended increased resources to combat fraud for which approval of a supplementary estimate in the sum of £12,700 was required.

Members recalled that in 2014 the Government transferred responsibility for Housing Benefit Fraud Investigation to the Department for Work and Pensions (DWP). The Council decided at that time to fund its own Fraud Investigation team, the remit of fraud being wider than Housing Benefit. To supplement the service, the Council entered into an agreement with RBBC in 2019. When the Council's internal resource left in 2021, RBBC increased the provision to 2.5 fte. Officers advised that the team at RBBC was well resourced. The service they provided to Runnymede as well as three other local authorities in Surrey was highly regarded as were their links with Trading Standards and an Accredited Financial Investigator based at Portsmouth City Council. In addition, it was noted that the service had twice been recognised by the Institute of Revenues, Rating and Valuation (IRRV) as winners of the category for 'Excellence in Counter Fraud (2019 and 2022), and for 'Excellence in Partnership Working' in 2021.

Members noted the current performance of the contract; both proactive and reactive and the timeframes for investigation and interventions. Reported savings to the Council since 2019 were impressive: 2019/2020 - £154,650, 2020/2021 - £533,040 and for 2021/2022 - £170,527. Officers agreed to provide the Committee with how many cases had been dealt with and what the savings related to.

The Committee was given three options for the future of the contract. In essence, two of these were to reduce resources, or maintain the increased level of resource.

Members were fully supportive of Option 2, maintaining the current resource which included approval of an additional 0.5 fte, working with RBBC on proactive cases outside of Housing which would allow Officers to dedicate more time to deal with reactive referrals from within the Council or from local residents.

The Committee was pleased that RBBC had agreed to keep the costs for the first half of the year in line with the previous resource levels. Therefore, the actual cost of the service for 2022/2023 was £115,045, representing a saving of £19,045. The total cost going forward was £134,090, plus an uplift on salary costs of 2% per annum for each of 2023/2024 and 2024/2025.

Members were informed that as the majority of work was Housing related that the costs would be split 80/20 between the Housing Revenue Account and the General Fund as agreed with the Chairman of the Housing Committee.

The Committee noted the legal and financial implications in the report.

Members commended Officers for the continued success of the Counter Fraud Service and the savings made for the public sector.

RESOLVED that –

- i) **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 be approved; and**
- ii) **Corporate Management Committee be recommended to approve 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**

367 **Complaints and Compliments Quarter 2 2022/2023**

The Committee reviewed a summary of complaints and compliments for Quarter 2, covering the summer of 2022.

Members noted a fairly even split in Quarter 2 between complaints with 29 entries and compliments with 30 entries.

The Committee agreed that it was disappointing to find that just over half the complaints were upheld or partly so. However, it gave Officers an opportunity to look at the service areas and learn from mistakes. For example the importance of responding quickly to requests to avoid them becoming complaints and/or responding swiftly to put things right. A good example of this was accidental damage of a refuse bin which was quickly repaired the next day. This achieved the objective as stated by the Ombudsman of returning the customer to the point before they had cause to complain.

Members were advised there were seven complaints in Quarter 2 that were outstanding in terms of either not having been dealt with or resolved but the responsible department had not updated the register. Reminders had been sent.

It was observed that Housing by its nature attracted complaints but Members also appreciated that the issues they experienced were often quite complicated and involved a number of factors which were time consuming to resolve. For example when contractors or other third parties were involved.

Members were pleased that 30 compliments were recorded for Quarter 2. Officers confirmed that a reminder had been sent out about the equal importance of recording when the Council got things right as it was good for morale and showed where best practice was happening and could be shared.

The exempt appendix gave Members details of specific compliments for individuals and teams. Members noted that one or two people kept appearing each quarter and were pleased to see the positive feedback for several teams and individuals during the heatwave experienced during the summer. The Chairman confirmed that the thank you certificates would be sent to staff and teams as in previous quarters.

Members noted ward based data and details of complaints in two wards were requested which Officers agreed to supply as anonymised data.

The Committee was informed that complaint handling would be the subject of a corporate review along with a number of other service areas to ensure the Council's policy was both robust and responsive.

Finally, Members noted that the registers, in terms of the data validation columns, had been updated to reflect recent changes within Community Services and Environmental Services. For example, Green Space including Allotments, Parks and Cemeteries now appeared under Environmental Services and a new discreet function of Community Development within Community Services had been created to cover Strategic functions like policy and projects, and Chertsey Museum.

The Committee welcomed the news announced at its annual conference in November that the Ombudsman and the Housing Ombudsman were working to create a joint complaint handling process which it was anticipated would bring more consistency for all parties.

368 **Exclusion of Press and Public**

No press or public attended the meeting.

(The meeting ended at 8.33 pm.)

Chairman

External Audit – Update (BDO)

Synopsis of report:

To provide Members with a verbal update on the External Audit of the Council's Accounts for 2019/2020.

Recommendation(s):

None. This report is for information.

The Council's External Auditors, BDO, have advised that the 2019/2020 is not yet complete They have been invited to the meeting to give a verbal update.

(For information)

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 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 9 January 2023.

2. Report

- 2.1 The report identifies 2 audits completed since the last meeting of this Committee. These are:

2022/23 Audits

Housing – Health and Safety
Gifts and Hospitality

- 2.2 Fieldwork is in progress for the majority of the other audits from the 2022/2023 plan with three remaining general audits commencing during January 2023. There will be one ICT audit this year which is now planned to commence in March 2023.

- 2.3 One client briefing notice has 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

24 January 2023 – Standards and Audit Committee

2022/23

Internal Audit

FINAL

January 2023

Summary Internal Controls Assurance

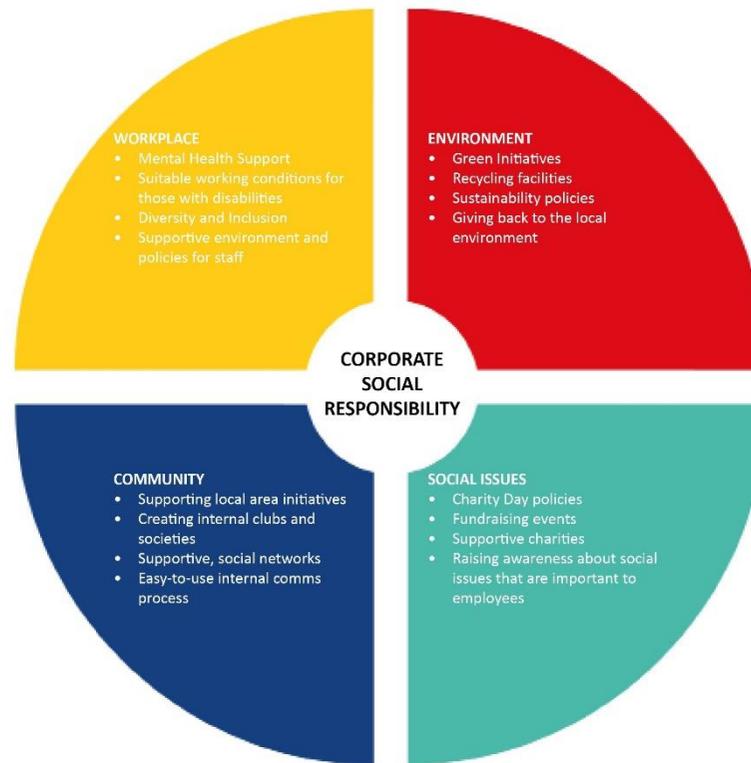
Introduction

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 4th January 2023.

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								
ICT – Software Asset Management (awaiting management response)	Reasonable	08.12.22	Not yet received		-	4	1	1
ICT – Contract Management	Reasonable	20.12.22	Not yet received		-	3	1	-
2022/23 Audits								
Housing Health and Safety	Substantial	01.12.22	02.12.22	05.12.22	-	-	-	-
Gifts and Hospitality	Reasonable	21.12.22	05.01.23	06.01.23	-	-	5	6

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 2022/23 Annual Plan

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 - Cancel	Leisure Service is outsourced and will not be audited. Delete from 2022/23 audit plan
Safeguarding – new audit	Safeguarding is an additional audit for 2022/23 to replace the Leisure audit (above).
Procurement - Cancel	Procurement have new staff and it would be prudent to cancel this audit from 2022/23 and include in the 2023/24 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		
		0	0	0	0	0	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	Qtr4 (2021/22)	Qtr 1 (2022/23)	Qtr 2 (2022/23)	Qtr 3 (2022/23)	Medium term Direction of Travel	Audit Observation
Directed						
Governance Framework	-	17%	37%	20%		
Risk Mitigation	-	-	-	-		
Control Compliance	100%	83%	63%	80%		
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
None issued in period
Fraud Alert
Fake invoices in circulation for payment of office supplies

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



Progress against Annual Plan – 2022/23

System	Planned Quarter	Current Status	Comments
Commercial Property	1	Fieldwork in progress	
Commercial Rents	1	Draft report issued 04.11.22	
Absence Management	1	Draft report issued 17.11.22	
Housing Allocations and Homelessness	1	Fieldwork in progress	
Leisure Contract	1	Cancelled	Removed from the Plan
Community Grants	1		Postponed at the request of the Head of Service
Governance – Gifts and Hospitality	1	Final report issued 06.01.23	
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	Final report issued 05.12.22	
Recruitment	2	Fieldwork to commence January 2023	
Depot (including Trade Waste)	2	Final report issued 02.11.22	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		Deferred to 2023/24
Climate Change	4	Fieldwork scheduled to commence in January 2023	
Income – Cash & Bank	4	Fieldwork in progress	
Main Accounting (General Ledger)	4	Fieldwork scheduled to commence in January 2023	
Capital Accounting and Asset Management	4	Fieldwork in progress	
Housing Rents	4	Fieldwork scheduled to commence in January 2023	
Follow Up	1 - 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
<i>None to report</i>						

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.
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Risk Mitigation

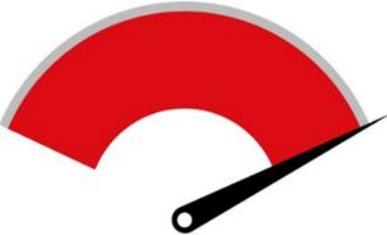
CLEARED	Internal audit work confirms action taken addresses the risk exposure.	ON TARGET	Control issue on which action should be taken at the earliest opportunity.	EXPOSED	Target date not met & risk exposure still extant
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Briefings on developments in 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	Action Required:
	Fake invoices in circulation for payment of office supplies	<p style="text-align: center;"><u>HIGH</u></p> 	<p>Action Required:</p> <p>This alert provides information and advice to staff about fraud and economic crime, and the risks associated with it. If you think that your organisation has been a victim of invoice fraud, contact your Anti-Crime Specialist immediately for advice.</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 earlier.

2. Report

- 2.1 At the time of writing this report, 1 of those had been implemented and 4 are still 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

January 2023

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 2022. Since the previous follow up review was carried out (October 2022), two recommendations have reached their initial or revised target implementation date, and status updates have also been sought for the additional 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	1
Outstanding	4
No Longer Applicable	0
Not Implemented	0

5. For the one recommendation that has been confirmed as implemented, no further action is necessary and specific details have not been included in this report
6. For the four 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:	5 th January 2023
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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 (subsequently revised to 30/11/22)	Revised implementation date	31/12/22
Latest Update	<p>It was previously advised by the Head of External Projects and Climate Change that there had 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 had been diarised for 16 November 2022 with a view to finalising the terms of reference by the end of November 2022.</p> <p>As part of this follow up review, it was advised that this had been further delayed but was expected to be completed by the end of December.</p>				
Status	Outstanding			A revised target date has been set.	

13. ICT – Mobile Device Security Management

Audit title	Mobile Device Security Management	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, then December 2022)	Revised implementation date	28/02/23
Latest Update	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. The policies were subsequently scheduled for the December Service Transformation Working Group meeting, however this meeting was cancelled and the policies will now be presented for approval in February 2023.				
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	31/03/23
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 was underway but was taking longer due to resources.</p> <p>A further update was provided during this follow up review that a Procurement Officer was due to start in December which would help the situation, however the recruitment to the Procurement Manager post is still on-hold and therefore the team would continue to be stretched in terms of workload.</p> <p>Although the Procurement Strategy draft is in progress, this will need to reflect any future direction in terms of longer-term service strategy. Similarly the Procurement Bill is passing through Parliament at the moment and is likely to take effect at some point in 2023. The Council will then have 6 months to implement the changes which will be considerable and will require significant re-writes of processes, procedures, toolkits and training materials to launch to staff.</p> <p>The Head of Business Planning, Projects and Performance is planning to run a workshop with a number of Corporate Heads in January to feed into the procurement strategy. Despite staffing levels still not being at full capacity, it was advised that a draft interim Procurement Strategy for 2023/24 (based on the current position) could be in place by the end of March 2023.</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	31/03/23
Latest Update	<p>It was previously advised by the Head of Business Planning, Projects and Performance that resource capacity issues in the team meant this was unlikely to be progressed during Q2 or Q3.</p> <p>As part of this follow up review, it was advised that the Head of Business Planning, Projects and Performance is planning to run a workshop with a number of Corporate Heads in January, which will assist in the review of a RACI matrix for ITQs and ITTs. A revised timeframe of March 2023 was provided.</p>				
Status	<p style="text-align: center;">Outstanding</p>				

Complaints and Compliments Quarter 3 2022/2023 (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 2022 (Quarter 3 of the KPI reporting structure), and report any matters that have arisen since the last meeting of the Committee in November 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 21 entries in the complaints register and 17 compliments recorded in Quarter 3 of 2022/2023.
- 2.4 **Complaints Quarter 3 2022/2023**

The table below sets out the figures for Quarters 1, 2 and 3 of 2022/2023:-

Business Centre	Quarter 1	Quarter 2	Quarter 3
Assets and Regeneration	0	0	0
Community Development	0	1	
Community Services	1	0	0
Corporate Services	0	0	0
Customer, Digital and Collection Services	2	3	2
Development Management and Building Control	0	0	4
Economic Development and Planning Policy	0	0	0
Environmental Services	8	12	5
Financial Services	0	2	0
Housing	16	11	9
Human Resources	0	0	0
Law and Governance	0	0	1
Total	27	29	21

- 2.5 Of the 21 complaints recorded, 6 were upheld, one partly so, 9 were not upheld, 3 are overdue, for which an update has been sought, one is assumed withdrawn as the complainant did not provide any further information for us to review it properly and the remaining one had not yet reached the deadline for a full response to be made at the time of preparing this report.
- 2.6 Refuse and Recycling related to two cases of multiple missed bin collections and three service requests which became complaints regarding grounds maintenance.
- 2.7 Housing complaints related to the condition of a property, four were (including partly so) upheld; the remedy being to bring forward some improvement works. These were dependent on parts and contractor availability. The other Housing complaints were more complex and involved third parties; none have been upheld so far.
- 2.8 Human error led to a complaint regarding someone's record in Law and Governance; no further action was necessary with the mistake being discovered very quickly and resolved on the day it was raised.

- 2.9 None of the complaints regarding Development Management (Planning) were upheld. These concerned the outcome of planning applications being objected to and emphasise the importance of engaging with Planning at an early stage to avoid misunderstandings later on in the process.
- 2.10 The issues raised regarding Housing Benefits and Parking Enforcement were also not upheld as proper procedures and policies had been followed in both cases.
- 2.11 If Members have any queries regarding particular service areas these can be referred to the relevant Corporate Head.
- 2.12 **Compliments Quarter 3 2022/2023**

The table below sets out the figures for Quarters 1, 2 and 3 of 2022/2023:-

Business Centre	Quarter 1	Quarter 2	Quarter 3
Assets and Regeneration			
Community Development	5	5	(now part of Community Services)
Community Services	1	3	
Corporate Services	4		
Customer, Digital and Collection Services	4	10	4
Development Management and Building Control		1	1
Economic Development and Planning Policy			
Environmental Services	2	7	7
Financial Services			
Housing	8	3	5
Human Resources			
Law and Governance		1	
Total	24	30	17

- 2.13 As with Complaints there were fewer compliments for the quarter. There were 17 compliments received for Quarter 3 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 staff across the Council showing compassion and being helpful to customers, many of whom were in difficult circumstances and/or dealing with distressing events. Some residents took the trouble to send in thank you cards and messages for individuals and were keen that they received some recognition for their hard work.

- 2.15 The breakdown of complaints and compliments in Quarters 1, 2 and 3 for 2022/2023 by Ward is set out below (- denotes complaints and + compliments)

Ward	Quarter 1		Quarter 2		Quarter 3	
	-	+	-	+	-	+
Addlestone North	4	3	1	3	1	
Addlestone South	3	3	4	3	4	3
Chertsey Riverside	2		2	4	1	1
Chertsey St Ann's	3	2	4	2	1	
Egham Hythe	4	4	4		3	2
Egham Town	4	1	1	1	3	
Englefield Green East						1
Englefield Green West	1			1	1	
Longcross, Lyne and Chertsey South			1	1	2	1
New Haw	2	1	4	3	1	
Ottershaw		1	3			1
Thorpe		2	1	2		1
Virginia Water	2		2			1
Woodham and RowTown		1				
Out of Borough	1	6	1	7	3	2
Unrecorded	1		1	3	1	4
Totals	27	24	29	30	21	17

- 2.16 Recording complaints and compliments is a valuable tool for the Council to review performance and improve the delivery of services.

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 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.

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, recorded accurately and that reporting 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 was one complaint that could be identified as relevant to disability. This was not upheld. There was one compliment also relevant to disability.

(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.

Procurement of Internal Audit Services (Assistant Chief Executive – Amanda Fahey)

Synopsis of report:

This report provides the Committee with a brief overview of the preparations being made to commence a procurement exercise for the provision of Internal Audit services.

Recommendation(s):

None. This report is for information.

1. Context of report

- 1.1 Internal Audit is a statutory requirement in local government as defined in the Local Government Act 1972. The Accounts and Audit Regulations 2015 (Regulation 5) require the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
- 1.2 The Council's internal audit service is currently provided by an external provider and the contractual arrangements are due to end 30 April 2023. New arrangements for internal audit service provision therefore need to be in place by May 2023.

2. Report and, where applicable, options considered

- 2.1 Internal audit is an essential component to the assurance regime of local government and should therefore be given sufficient attention when considering the model of service provision and the management of the service, not only to ensure value for money but also to ensure a strong “third line of defence” exists in reviewing the effectiveness of the Council's internal controls. Due to its importance as a cornerstone of local authority governance and assurance, the Council needs to ensure that it has a robust internal audit function in place.
- 2.2 The market for audit services has changed considerably over recent years, with the development of a variety of service models, including partnership models, external provision, internal provision, framework development and hybrid services. In addition, audit services have moved away from being a largely regulatory service, focusing on compliance, to one that adds value to an organisation by being a critical friend, providing advice and assisting with the developments of internal controls. It is therefore appropriate to review the Council's scope and requirements and update the specification prior to going out to the market for a new contract.
- 2.3 Due to the value of the contract, necessary approvals have been sought from the Corporate Management Committee, at its meeting 19th January, for the procurement route and to commence the retender of the contract. The Committee will be advised of the outcome of the procurement exercise once completed.

3. **Policy framework implications**

- 3.1 The audit of Council services and systems supports the values and goals of creatively improving our services and striving for excellence in everything we do whilst being as efficient and effective as possible, ensuring value for money.

4. **Resource implications**

- 4.1 The cost of internal audit services is provided for in the Council's annual budget.

5. **Legal implications**

- 5.1 Under the Accounts and Audit Regulations 2015 the Council is required to ensure that it has a sound system of internal control which;
- facilitates the effective exercise of its functions and the achievement its aims and objectives,
 - ensures that the financial and operational management of the authority is effective; and
 - includes effective arrangements for the management of risk.
- 5.2 The proposed procurement routes comply with the Public Contracts Regulations 2015.
- 5.3 Legal services with the assistance of external solicitors may be required to draw up the necessary contract, the cost of which will be met from existing budgets.

6. **Equality implications**

- 6.1 There are no equality implications arising from this report.

7. **Environmental/Sustainability/Biodiversity implications**

- 7.1 Consideration will be given in the specification to any appropriate environmental and sustainability measures.

8. **Conclusions**

- 8.1 The Committee is asked to note the commencement of the procurement exercise for Council's internal audit provision in accordance with the recommendations considered at Corporate Management Committee 19th January 2023.

(For information)

Background papers

None.

Exclusion of Press and Public

Officers' Recommendation that –

the press and public be excluded from the meeting during discussion of the following Appendix under Section 100A(4) of the Local Government Act 1972 on the grounds that the Appendix 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)

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

Document is Restricted