Simon Young, Solicitor
Head of Legal and Democratic Services

EPSOM & EWELL
BOROUGH COUNCIL

AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE

Thursday 26 November 2015 at 7.30 pm

Committee Room 1 - Epsom Town Hall

The members listed below are summoned to attend the Audit, Crime & Disorder and Scrutiny Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Clive Smitheram (Chairman)	Councillor George Crawford
Councillor David Reeve (Vice-Chairman)	Councillor Robert Foote
	Councillor Peter O'Donovan
Councillor Steve Bridger	Councillor Humphrey Reynolds
Councillor Kate Chinn	Councillor David Wood
Councillor Alex Clarke	

Yours sincerely

Head of Legal and Democratic Services

For further information, please contact Tim Richardson, 01372 732122 or trichardson@epsom-ewell.gov.uk

AGENDA

1. **QUESTION TIME**

    To take any questions from members of the Public.
    Please note: Members of the Public are requested to inform the Democratic Services Officer before the meeting begins if they wish to ask a verbal question to the Committee.

2. **DECLARATIONS OF INTEREST**

    Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting.

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POSITIVE ABOUT DISABLED PEOPLE

3.   MINUTES OF THE PREVIOUS MEETING (Pages 5 - 12)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on 23 June 2015 and Minutes of the Special Meeting of the Committee held on 6 October 2015 (attached) and to authorise the Chairman to sign them.

4.   COMMUNITY SAFETY PARTNERSHIP 2015/16 - HALF YEAR REPORT (Pages 13 - 20)

This report informs the Committee of the work of the Epsom and Ewell Community Safety Partnership (CSP) for the first half of 2015/16.

5.   EXTERNAL AUDIT - PROGRESS REPORT (Pages 21 - 34)

This report provides an update of work being carried out by the Council's External Auditor and identifies emerging issues for the Committee to note.

6.   ANNUAL GOVERNANCE STATEMENT AND EXTERNAL AUDITOR'S FINDINGS 2014/15 - PROGRESS AGAINST ACTION PLANS (Pages 35 - 44)

This report sets out progress on the actions contained in the Council's Annual Governance Statement and in the Annual Audit Findings issued by the External Auditor following audit of the Financial Statements.

7.   INTERNAL AUDIT - MONITORING REPORT (Pages 45 - 74)

This report summarises progress against the audit plan for 2015/16.

8.   RISK MANAGEMENT FRAMEWORK ANNUAL REPORT (Pages 75 - 92)

This report provides an update on the Council's risk management arrangements and identifies key risks at corporate level and operational level.

9.   PERFORMANCE MANAGEMENT 2015/16: PROGRESS REPORT ONE (Pages 93 - 110)

This report presents the Committee with the first Performance Management Progress report for 2015/16, providing an overview of progress made against the policy committees' actions and highlighting those actions recorded as 'not met'.

10.   DATA QUALITY ANNUAL REPORT: PROGRESS AGAINST ACTION PLAN (Pages 111 - 126)

This report sets out progress against the actions outlined in the Council's Data Quality Strategy 2012 to 2016 and asks the Committee to identify any issues it considers require additional action.

11.   INFORMATION GOVERNANCE (Pages 127 - 130)

A report to update members in relation to the Council's arrangements for Information Governance, in light of previous audit reports and good practice.

12.   OUTSTANDING REFERENCES AND WORK PROGRAMME 2015/16 (Pages 131 - 138)

This report lists references to officers outstanding as at 26 November 2015 and asks the Committee to agree its ongoing Work Programme for 2015/16.

13.   EXCLUSION OF PRESS AND PUBLIC

Under Section 100(A)(4) of the Local Government Act 1972, the Committee may pass a resolution to exclude the public from the Meeting for Part Two of the Agenda on the grounds that the business involves the likely disclosure of exempt information as defined in paragraphs 3 and 4 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

14.   NOT FOR PUBLICATION MINUTES OF THE PREVIOUS MEETING (Pages 139 - 144)

This report has not been published because the meeting is likely to be closed to the press and public in view of the nature of the business to be transacted/nature of the proceedings. The report deals with information relating to the business affairs of the Council and contemplated consultations between the Council and its employees, and the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

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Minutes of the Meeting of the AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE held on 23 June 2015

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PRESENT -

Councillor Clive Smitheram (Chairman);Councillor David Reeve (Vice-Chairman); Councillors Steve Bridger, Kate Chinn, Robert Foote, Tina Mountain (as nominated substitute for Councillor Alex Clarke), Peter O'Donovan, Humphrey Reynolds, David Wood and Tella Wormington (as nominated substitute for Councillor George Crawford)

Absent: Councillors Alex Clarke and George Crawford

In Attendance: Councillor Vince Romagnuolo, Inspector Jackie Elkins (Surrey Police) (Items 1-4) and Lorna Raynes (Baker Tilly Risk Advisory Services LLP) (Items 1-6)

Officers present: Kathryn Beldon (Director of Finance and Resources), Doug Earle (Head of Corporate Risk), Margaret Jones (Scrutiny Officer), Gillian McTaggart (Corporate Risk & Governance Manager) (Items 1-7), Tim Richardson (Democratic Services Officer), Kelvin Shooter (Community Safety & Projects Officer) (Items 1-4) and Simon Young (Head of Legal and Democratic Services)

1   QUESTION TIME

No questions were asked or had been submitted by members of the public.

2   MINUTES OF THE PREVIOUS MEETING

The Minutes of the Meeting of the Audit, Crime & Disorder and Scrutiny Committee held on 9 April 2015 were agreed as a true record and signed by the Chairman.

3   DECLARATIONS OF INTEREST

No declarations of interest were made by Councillors in items on this agenda.

4   COMMUNITY SAFETY PARTNERSHIP 2014/15 END OF YEAR REPORT

The Committee received a report informing it of the work of the Epsom and Ewell Community Safety Partnership (CSP) for the year 2014/15.

The Committee noted the budgetary and funding position of the Partnership. Funding was provided to the CSP through annual contributions from Surrey

County Council and Epsom and Ewell Borough Council, and from individual grants from the Police and Crime Commissioner (PCC). It was noted that the PCC did not provide an annual contribution to the funding of the Partnership, but made grant funding available for specific activities and projects. A recent grant which the CSP had successfully applied for had provided funding for two off-road bikes for use in addressing issues on the Longmead estate.

The Committee noted that the Partnership's annual expenditure exceeded its income, and that its activities were partly funded through use of its working balance. Officers informed the Committee that if the current level of funding continued, the Partnership would not be able to resource any intervention work in 4-5 years' time.

The potential to work in tandem with neighbouring CSPs to address funding pressures had been considered by the Partnership, but it had been identified that this would not reduce costs, and that the issues faced by the Epsom and Ewell area were not in common with those of neighbouring CSPs.

The Partnership's budget retained a £10,000 allocation for support of a Domestic Homicide Review, should one be necessary within the Borough. Officers informed the Committee that should this budget not be available from the CSP, it was likely that the Borough Council would be required to fund such a Review if one was necessary.

Following consideration of the report, the Committee noted the work and expenditure of the CSP over the 2014/15 financial year.

5   INTERNAL AUDIT - MONITORING REPORT

The Committee received a report summarising progress against the Audit Plan for 2014/15.

The Committee considered the following matters:

- Property Maintenance and Post Implementation Review of CRM Audit reports. The Committee noted that these reports were still in draft form, and would not be presented to the Committee until finalised by the Auditor.

- Payroll Audit report. The Committee was informed that the Council was taking action to address the issues identified in the Auditor's Payroll report. It was noted that the issues raised by the Auditor included items related to BACS payments and the documentation of controls.

- Procurement Audit report. The Committee was informed that Officers would be undertaking a health check of procurement arrangements in the next few weeks, with a result by the end of July 2015.

- Procurement arrangements – Agency staff. The Committee was informed that a report regarding procurement arrangements for agency staff would be presented to the Strategy and Resources Committee on 24 June 2015.

6   INTERNAL AUDIT ASSURANCE REPORT 2014/15

The Committee received a report presenting the Internal Audit Annual Report 2014/15, and a review of the performance of Internal Audit for the year.

The Committee considered the following matters:

- Payroll Audit report. The Head of Corporate Risk informed the Committee that Officers reviewed payroll processes frequently, and that BACS payment authorisation procedures had recently been revised in accordance with the Auditor's recommendations. The Council operated a payroll Bureau, which provided Payroll services to Mole Valley and Tandridge District Councils, and officers in the department were learning each other's duties to increase service resilience.

7   ANNUAL GOVERNANCE STATEMENT 2014/15

The Committee received a report seeking its formal approval to the Annual Governance Statement 2014/15 and the arrangements made for its preparation.

The Committee noted the following corrections to typographical errors in the Annual Governance Statement attached as the Annexe to the report:

- Paragraph 3 (page 1) should have read - "This statement explains how Epsom and Ewell has complied with the code and also meets the requirements of the Account and Audit (England) Regulations **2011** and accompanies the 2014-15 Final Accounts." (amended text in Bold and Underlined).

- The date for item no. 1 of the table in paragraph 9 (page 5) should have read: "March 201**6**" (amended text in Bold and Underlined).

- The first bullet point within the table at the top of page 3 should have read: "The Council has in place an approved Whistleblowing Policy for investigating complaints**, and** established anti-fraud and corruption arrangements." (amended text in Bold and Underlined).

- The third bullet point within the table at the top of page 4 should have read: "Performance management reports are taken ~~place~~ to **the** relevant ~~the~~ policy committees and the Audit, Crime & Disorder and Scrutiny Committee over the course of the year. Based on the information provided during the year and reviews of data quality, adequate controls are in place." (amended text Struck-through and in Bold and Underlined).

- The fifth bullet point within the table at the top of page 4 should have read: Annual Service Plans are monitored and updated b**y** the relevant Committee." (amended text in Bold and Underlined).

Following a question from a Member of the Committee regarding the status of the project to redevelop land at Upper High Street, it was noted that the project was currently paused due to matters outside the Council's control.

Following consideration, the Committee:

- Confirmed the adequacy of the arrangements made for preparing the Annual Governance Statement;

- Agreed that the final version of the Annual Governance Statement be approved by the Strategy and Resources Committee, subject to the correction of the typing errors detailed above.

8   PERFORMANCE MANAGEMENT: PROGRESS REPORT FOUR 2014/15

The Committee received a report setting out performance against the Policy Committees' actions as at the end of the 2014/15 financial year, and highlighting those actions which had been 'rolled forward' to the 2015/16 year, or 'signed-off'.

The Committee noted the targets for 2014/15 which had been 'rolled-forward' to 2015/16 or 'signed-off', and considered the following matters:

- <u>Reason for 'signing-off' actions</u>. The Committee requested that in future reports the broad reason for 'signing-off' each 'signed–off' action be given.

- <u>Review of Performance Management System</u>. The Committee was informed by the Director of Finance and Resources that the Council's Performance Management system would be reviewed once the New Corporate Plan had been agreed. This would enable the system to be amended to best suit the structure of the objectives contained within the Plan.

- <u>Progress on refurbishment of Horton Chapel</u>. The Committee noted that a report regarding Horton Chapel would be presented to the next meeting of the Strategy & Resources Committee.

9   WORK PROGRAMME 2015/16

The Committee received a report asking it to agree its work programme for 2015/16.

The Committee considered and agreed its work programme as detailed at Annexe 1 to the report. The Committee also agreed to appoint the following Members to three separate task groups to undertake reviews into services as follows:

- <u>Review of the administrative arrangements for publicising and determining planning applications</u>. Membership: Councillors David Reeve, Humphrey Reynolds and Clive Smitheram. It was noted that a report from this task group was anticipated to be presented to the Meeting of the Audit, Crime & Disorder and Scrutiny Committee on 4 February 2016.

- <u>Review of the Council's Social Centres</u>. Membership: Councillors Kate Chinn, Robert Foote, David Reeve, and Clive Smitheram. It was agreed to co-opt a member of the Strategy and Resources Committee nominated by that Committee's Chairman to this task group. It was noted that a report from this task group was anticipated to be presented to a Special Meeting of the Audit, Crime & Disorder and Scrutiny Committee on 6 October 2015.

Note: following the meeting it was confirmed that the Member of the Strategy and Resource Committee nominated by its Chairman to be co-opted by this task group was Councillor Tony Axelrod.

- <u>Review of the Routecall service</u>. Councillors Steve Bridger, David Reeve, and Clive Smitheram. It was agreed to co-opt a member of the Strategy and Resources Committee nominated by that Committee's Chairman to this task group. It was noted that a report from this task group was anticipated to be presented to a Special Meeting of the Audit, Crime & Disorder and Scrutiny Committee on 6 October 2015.

Note: following the meeting it was confirmed that the Member of the Strategy and Resource Committee nominated by its Chairman to be co-opted by this task group was Councillor Richard Baker.

10   CORPORATE EQUALITY SCHEME ANNUAL REPORT, 2014/15

The Committee received a report presenting the Corporate Equality Scheme Annual Report 2014/15. The Committee did not identify any areas of concern within the report.

11   ANNUAL REPORT ON THE USE OF DELEGATED POWERS

In accordance with the Council's Scheme of Delegation to Officers, the Committee received a report setting out significant decisions taken by officers under delegated powers since 20 May 2014. The Committee was informed that Delegated Authority Decision Form 424 was not recorded in the Annexe to the report. The Chairman had discussed this matter with Officers and informed the Committee that he had been assured that this was not a matter for concern.

In response to a question from a Member of the Committee, the Head of Legal and Democratic Services informed the Committee that all decisions detailed within the report and Annexe had been authorised by the Chief Executive. Following the recent management restructure of the Council, the procedure for authorising significant decisions taken by officers under delegated powers would

be reviewed. The Committee was informed that one possible outcome of this review was that authorisation might be permitted by either the Chief Executive or Director of Finance and Resources in future.

Note: following the meeting Officers confirmed that Delegated Authority Decision Form 424 (referred to above) related to the purchase of 2 Shopmobility Scooters. This decision had been reported to Councillors in the Members Briefing document circulated on 30 May 2014.

12   OUTSTANDING REFERENCES

The Committee received and noted its outstanding references. The Committee was informed that a report regarding Information Governance would be presented to its November 2015 meeting. The Committee was informed that this report had initially been scheduled for the November 2014 meeting of the Committee, but had been delayed in order to enable it to detail the significant amount of work which had been undertaken relating to the issue over the past year.

The meeting began at 7.30 pm and ended at 9.00 pm

COUNCILLOR CLIVE SMITHERAM (CHAIRMAN)

Minutes of the Meeting of the AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE held on 6 October 2015

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PRESENT -

Councillor Clive Smitheram (Chairman);Councillor David Reeve (Vice-Chairman); Councillors Steve Bridger, Kate Chinn, Alex Clarke, Robert Foote, Peter O'Donovan, Mike Teasdale (as nominated substitute for Councillor George Crawford) and David Wood

In Attendance: Councillor Richard Baker and Councillor Martin Olney

Absent: George Crawford and Humphrey Reynolds

Officers present: Kathryn Beldon (Director of Finance and Resources), Ian Dyer (Head of Operational Services), Margaret Jones (Scrutiny Officer), Andrew Lunt (Head of Venues & Facilities) and Tim Richardson (Democratic Services Officer)

| 13 | DECLARATIONS OF INTEREST |

No declarations of interest were made by Councillors in items on this agenda.

| 14 | EXCLUSION OF PRESS AND PUBLIC |

The Committee passed a resolution to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involved the likely disclosure of exempt information as defined in paragraphs 3 and 4 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

| 15 | SCRUTINY REVIEW OF THE SOCIAL CENTRES |

A report was presented to the Committee (considered exempt from publication).

The decision of the Committee is set out in a separate minute (considered exempt from publication).

| 16 | SCRUTINY REVIEW OF ROUTECALL |

A report was presented to the Committee (considered exempt from publication).

The decision of the Committee is set out in a separate minute (considered exempt from publication).

17   THANKS TO OFFICERS

The Committee noted the acknowledgements and thanks of the Task Groups to all those who had assisted in their investigations. The Committee expressed its own thanks to officers for their support, and in particular to the Scrutiny Officer.

The meeting began at 7.30 pm and ended at 8.47 pm

COUNCILLOR CLIVE SMITHERAM (CHAIRMAN)

COMMUNITY SAFETY PARTNERSHIP 2015/16 – HALF YEAR REPORT

Report of the: Chief Executive

Contact: Kelvin Shooter – Officer to the Community
                                        Safety Partnership

Urgent Decision?(yes/no)   No

If yes, reason urgent decision
required:

Annexes/Appendices (attached):   Annexe 1 - Epsom & Ewell Community Safety
                                        Partnership Strategy & Action Plan 2015/16

Other available papers (not
attached):

REPORT SUMMARY

This report informs the Committee of the work of the Epsom and Ewell Community Safety Partnership (CSP) for the first half of 2015/16.

RECOMMENDATION (S)	*Notes*
(1) The Committee is asked to note and comment on the work and expenditure of the CSP for the first half of 2015/16.	

1 **Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

1.1 The Council has the following priority for 2015/16: 'Safer and stronger communities – promote safer, more active and caring communities'. This encompasses a commitment from the Council to work with the Police and other organisations to reduce anti-social behaviour, the fear of crime and the wider issues associated with creating a safe environment to reside, work and study in.

2 **Background**

2.1 The Crime & Disorder Act 1998 set up the requirement for local authorities and police authorities to jointly conduct crime & disorder audits and based upon those audits develop strategies to deal with identified issues. This was managed under the banner of 'Crime & Disorder Reduction Partnership'.

2.2   Over the years this has evolved through legislation, such as the Police & Justice Act 2006, and operational necessity to include organisations such as Fire and Rescue, The Probation Service and Health. To reflect the wider partnership the name was changed to become 'Community Safety Partnership'. This Act also provided an opportunity for the work of the local CSP to be scrutinised.

2.3   The Policing & Social Responsibility Act 2011 removed the Police Authorities and replaced them with Police & Crime Commissioners (PCC). With regard to the PCCs engagement with a CSP the 2011 Act has removed the mandatory requirement for the PCC to take over the previous role of the Police Authority and have left it to the PCC and CSP to decide the best way to work together.

2.4   Prior to the 2011 Act the CSP received funding directly from the Home Office to cover its operating costs and to finance the undertaking of the strategic work it had agreed in the action planning process. As a result of the 2011 Act this funding was removed from the CSP and given to the office of the corresponding Police & Crime Commissioner. The Surrey PCC does not currently fund the operating costs of the Borough CSPs. The CSP can bid for grants PCC grants for specific projects that meet the PCC criteria.

2.5   The purpose of this report is to present the Audit, Crime & Disorder and Scrutiny Committee with an update on the on-going work of the CSP.

3   2015/16 Partnership Strategy

3.1   At the last meeting of the Audit, Crime & Disorder and Scrutiny Committee held in June 2015, the Committee was updated on the agreed on-going strategic direction of the CSP.

3.2   The strategy direction is based upon the statutory requirements placed upon the CSP and the resources available to it.

4   Action Plan

4.1   Points of note in the delivery of the action plan;

4.1.1   A contribution has been made to the purchase of two Police off road motor cycles to tackle an increase in illegal use of motor cycles and recreational vehicles.

4.1.2   Continued support for the Epsom & Ewell Street Pastors.

4.1.3   Negotiating with Surrey Children's Services to reinstate the CRUSH project (healthy relationship building for young adults).

4.1.4   Continued governance of the Surrey Supporting Families Programme.

4.1.5   Use of the 'Joint Action Group' sub group of the CSP to tackle an upturn in youth ASB in parts of the Borough.

4.1.6 The use of the 'Community Incident Action Group' sub group of the CSP to identify individuals who are engaging in ASB/crime or are in imminent danger of doing so with a view to putting in place a multi-agency solution.

5   Financial and Manpower Implications

5.1   Whilst the CSP retains a reserve sufficient to meet its administration and statutory obligations there are no negative implications to the Council.

5.2   The CSP held a reserve of £83K at the start of 2015/16. It has currently spent £5K and has received £1.5K in income. A further £6K has been received that is ring-fenced for tacking youth ASB. £7K will be spent at the end of £2015/16 to cover the administration of the CSP for the year.

5.3   ***Chief Finance Officer's comments:*** As set out in this report the Council retains a Community Safety reserve that had a balance of £83k as at the 1st April 2015.

6   Legal Implications (including implications for matters relating to equality)

6.1   None other than stated in the body of this report.

6.2   ***Monitoring Officer's comments:*** There are a number of general duties which the Council has in the exercise of its functions. Of particular relevance to this report are the duties under the Crime & Disorder Act 1998. There is a general duty for the Council to have regard to the likely effect on, and the need to prevent: crime & disorder, the misuse of drugs alcohol & other substances, and reoffending. The 1998 Act also contains the specific duties on the Council and other public bodies to formulate and implement strategies in respect of the same issues. There is now also a general duty under the Counter-Terrorism and Security Act 2015 to have due regard, in the exercise of our functions, to the need to prevent people from being drawn into terrorism. Whilst that might not be considered a significant issue in Epsom & Ewell, it is something which should be considered as part of the work of the CSP.

7   Sustainability Policy and Community Safety Implications

7.1   This report supports the Council's Sustainability Policy Statement objective of creating sustainable communities by reducing anti-social behaviour and the fear of crime, and encouraging community engagement in Community Safety issues.

8   Partnerships

8.1   The success of the work of the CSP depends upon the extent to which all partners co-operate to deliver recognisable improvements.

8.2   The principal agencies involved have been:

8.2.1 Epsom and Ewell Borough Council (Statutory partner)

8.2.2   Surrey Police (Statutory partner)

8.2.3   Surrey Police & Crime Commissioner (Partner by mutual agreement)

8.2.4   Surrey County Council (Statutory partner)

8.2.5   Rosebery Housing Association (Partner by mutual agreement)

8.2.6   Public Health [Including the Surrey Downs CCG] (Statutory partner)

8.2.7   The new organisation that replaces the Probation Service has yet to engage as a statutory member of the CSP.

8.3   However, others involved including community leaders, voluntary groups and the residents themselves are encouraged to engage with the CSP in matters that affect them and others in which they can contribute.

9   Risk Assessment

9.1   The future role and funding of the Community Safety Partnership continues to be uncertain. The election of the Police & Crime Commissioner saw the Home Office funding transferred to the PCC. The provisions of the 2011 Policing & Social Responsibility Act allows a more flexible approach to how the CSP and PCC work together. No direct funding, other than for specific project grants, has been forthcoming from the PCC to District & Borough CSPs and there is no indication that this position will change in 2015/16.

9.2   The CSP has a residual fund which enables work to continue, although it is likely that annual expenditure will exceed income which will gradually deplete the reserve.

9.3   A number of the partner organisations are going through structural and organisational change at this time which may in the short term affect their ability to engage with the CSP, and in the long term their revised objectives may place differing demands upon the work of the partnership. The CSP benefitted in 2014/15 from the interest shown by the CCG for the Borough although this has not been maintained during the first half of 2015/16.

9.4   The amalgamation of the other Districts and Boroughs CSPs that fall within the same Policing Division as Epsom & Ewell is an option for the this CSP to join. The CSP is continuing to work with these Boroughs and should there found to be a demonstrable advantage in amalgamation at a time in the future, that option would be considered.

10   Conclusion and Recommendations

10.1   The Committee is asked to consider and comment upon the review of the Community Safety Partnership performance, its action plan and method of operating over the first half of 2015/16.

WARD(S) AFFECTED: ALL

Epsom & Ewell Community Safety Partnership – Strategy and Action Plan 2015 – 2016.

Forward

The 2014/15 year was a watershed year for the Epsom & Ewell Community Safety Partnership (CSP). A number of factors facilitated a review of its organisation and operation leading to a realignment of its strategic direction and expectations of its ability to deliver activities and programmes designed to reduce crime and antisocial behaviour. These factors are;

- Annual general financing of the CSP activities now confined to 'in kind' resourcing of Community Safety via the Epsom & Ewell Borough Council.
- Available funding streams for specific projects and are subject to existing resources and capabilities being able to use the grants when secured.
- The CSP contribution from its funds towards its administration being greater than its income resulting in a year by year reduction in its reserve.
- Partners, statutory and others facing reduction in resources and increasing responsibilities making their ability to meaningfully engage and resource the work of the CSP limited.
- Introduction of legislation that creates a financial burden on the CSP without subsequent funding attached to that burden e.g. Domestic Homicide Reviews, 2014 ASB, Crime & Policing Act.

Strategic Assessment of Crime and Anti-Social Behaviour[1]

ASB
The total ASB for 2014/15 was down 16.3% for the whole Borough compared to 2013/14.
The largest drop of 29.3% was in Epsom & Ewell West while the lowest drop of 7.7% was in Epsom & Ewell Central.

CRIME
Down from the previous year:
- Domestic burglary: 210 from 263 (- 20.2%)
- Drug offences: 211 from 266 (-20.7)

Static against previous year:
- Vehicle crime

Up from the previous year:
- Fraud and forgery: 2 to 9 (+350%)
- Serious sexual: 33 to 57 (+72.7)
- Violence: [with injury] 230 to 335 (+45.7) [without injury] 467 to 604 (+29.3)

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[1] Figures based upon Surrey Police data to end of financial year 2015

Strategic direction

Based upon the finding of the 2014/15 review the following strategic direction has been agreed;

1. To draw together knowledge of the community safety landscape using readily available data and local knowledge of what the issues and drivers are in reducing crime and ASB.

2. To have mechanisms and channels of communication by which partners can impart relevant information to the other partners and equally receive information that would be useful to their own organisations.

3. To deal with local issues of crime and ASB involving individuals and places (CIAGs and JAGs).

4. To respond to statutory requirements placed upon CSPs such as Domestic Homicide Reviews, Community Triggers and other mechanisms set up under the ASB and Policing Act 2014.

5. To report to the relevant scrutiny body within the Borough Council on how it has responded to its crime and disorder functions.

Financial position

The CSP will not set an annual budget but will maintain a reserve to be drawn down for agreed programmes and to meet the legal obligations of the CSP

At the 1st April 2015 the CSP has a reserve of £83,000.

Income of £1,500 has been received from EEBC.
Surrey County Council (Local Committee) has agreed an amount of £3,337 that can be claimed for specific projects that fulfil the objectives of the Local Committee and the CSP.

The CSP has agreed to fund their administration with £7,000 from their reserves.

The Office of the Surrey Police & Crime Commissioner has offered £6,000 designated for specific ASB activities.

Action Plan

Action	Lead	Anticipated outcome	Cost	Status/update
To continue support for the Epsom & Ewell Street Pastors by paying one third of new pastor training fees and supplying/updating IDs.	CSP admin/EEBC	Continued work of Street Pastors in the Epsom & Ewell Town Centre.	£300 (Est.)	One new Pastor training supported. June 15
To negotiate with SCC Children's Services for the reintroduction of the 'CRUSH' healthy relationship.	CSP admin/EEBC	CRUSH project sessions serving the Borough for teenage victim/potential victims of domestic abuse.	£500 (Est)	
To assist in the purchase of two off road motorcycles for Police to use in the prevention of the use of motor cycles in crime and ASB.	CSP	Police to reduce the use of illegal motor cycles and catch the perpetrators of the crime/ASB.	£1,700 (Act)	Motor cycles purchased. May 15
To support the nationals and regional PREVENT/CHANNEL plan.	CSP/EEBC/SP	The CSP receives and disseminates information from the CTLP. PREVENT/CHANNEL principles are embedded in CIAGs and JAGs The CSP participate in in any CHANNEL panels relating to individuals in their area	None.	
To retain governance of the Surrey Supporting Families programme and provide logistical support for the programme staff working in Epson & Ewell	CSP/EEBC/SCC	Qualifying families are identified and receive the benefits of the programme in line with local and county targets	None.	
To consider individuals who are involved in crime /ASB with a view to intervention (CIAGs)	CSP (Police Lead)	Identified individuals receive support and intervention	None	
To consider areas or locations that are identified as ASB/crime concern with a view to a reduction in incidences of ASB/crime (JAG)	CSP admin/ Agency JAG called by.	Identified areas show a reduction in ASB/crime	None	

EXTERNAL AUDIT – PROGRESS REPORT

Report of the: Director of Finance & Resources

Contact: Kathryn Beldon

Urgent Decision?(yes/no)   No

If yes, reason urgent decision
required:

Annexes/Appendices (attached):   Annexe 1 - External Audit Progress Report

Other available papers (not
attached):

REPORT SUMMARY

This report provides an update of work being carried out by the Council's External Auditor and identifies emerging issues for the Committee to note.

RECOMMENDATION (S)	*Notes*
(1) That the Committee receives the External Audit Progress Report.	

1   Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1   This report supports the Council's Key Priority Managing Resources.

2   Background

2.1   Grant Thornton provides the Council's External Audit work.

3   Proposals

3.1   This report provides an update of the work being carried out by External Audit. It also identifies any emerging issues and developments that the Committee should be aware of.

3.2   Grant Thornton's Audit Manager will attend the Committee meeting to introduce this item and answer any questions Members may have.

4   Financial and Manpower Implications

4.1   The 2014/15 audit carried out by Grant Thornton provided the Council with an unqualified opinion on the accounts. The audit fee of £72,640 for this work was within budget for this year.

4.2   ***Chief Finance Officer's comments:*** The work as planned by our External Auditors is in accordance with the level of work allowed for in the budget.

5   Legal Implications (including implications for matters relating to equality)

5.1   Grant Thornton has confirmed that their work will be prepared in the context of the Statement of Responsibilities of Auditors and Audit Bodies issued by the Audit Commission.

5.2   ***Monitoring Officer's comments:*** No comments for the purposes of this report.

6   Sustainability Policy and Community Safety Implications

6.1   There are no implications for the purposes of this report.

7   Partnerships

7.1   There are no implications for the purposes of this report.

8   Risk Assessment

8.1   The Audit of the Council's financial statements comprises a key element of the Council's governance arrangements.

9   Conclusion and Recommendations

9.1   The Committee is asked to note the progress made.

<u>WARD(S) AFFECTED</u>: N/A

Grant Thornton

Audit and Governance Committee Update for Epsom and Ewell Borough Council

Year ended 31 March 2015

October 2015

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AGENDA ITEM 5
ANNEXE 1

Contents

3

Introduction

This paper provides the Audit, Crime and Disorder, and Scrutiny Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Audit, Crime and Disorder, and Scrutiny Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector (http://www.grant-thornton.co.uk/en/Services/Public-Sector/). Here you can download copies of our publications including:

• Spreading their wings: Building a successful local authority trading company

• Easing the burden, our report on the impact of welfare reform on local government and social housing organisations

• All aboard? our local government governance review 2015

• Stronger futures: development of the local government pension scheme

• Rising to the challenge: the evolution of local government, summary findings from our fourth year of financial health checks of English local authorities

• 2020 Vision, exploring finance and policy future for English local government

• Where growth happens, on the nature of growth and dynamism across England

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Manager.

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Progress at 22 October 2015

Work	Planned date	Complete ?	Comments
2014-15 Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2014-15 financial statements.	April 2015	Yes	The Audit Plan for the Council's financial statements was presented to this Committee in March and to the Strategy & Resources Committee in June 2015.
Interim accounts audit Our interim fieldwork visit includes: • updating our review of the Council's control environment • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing	Phase 1 – w/c 12 January 2015 Phase 2 – w/c 13 April	Yes	Phase 1 is focussed on planning and risk assessment procedures and phase 2 is early testing to reduce the work at the accounts audit visit. Our testing did not identify any additional risks for the audit opinion. We have regular meetings with finance officers to discuss potential audit issues and fraud investigations. There were no issues arising that impacted on our audit opinion for 2014/15.
2014-15 final accounts audit Including: • audit of the 2014-15 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion.	July 2015	Yes	We completed our accounts audit work and issued an unqualified audit opinion on 30 September 2015 following the approval of the accounts by Strategy and Resources Committee.

AGENDA ITEM 5
ANNEXE 1

Progress at 22 October 2015

Work	Planned date	Complete?	Comments
Value for Money (VfM) conclusion The scope of our work to inform the 2014-15 VfM conclusion comprises: • securing financial resilience • challenging how it secures economy, efficiency and effectiveness in its use of resources. Our review will focus on arrangements relating to financial governance, strategic financial planning and financial control.	Planning: February 2015 Fieldwork: July 2015	Yes	We issued an unqualified value for money conclusion on 30 September 2015. We made a small number of recommendations in the Audit Findings Report which have been accepted by management.
Whole of Government Accounts (WGA) We are required to audit the Whole of Government Accounts return on behalf of the National Audit Office.	September 2015	Yes	We completed a high level assessment of the Council's whole of government accounts return by the deadline.
Annual Audit Letter The letter summarises the findings of our work completed during 2014/15.	October 2015	Yes	We have issued the Annual Audit Letter to management and this will be shared with all members.

Spreading their wings: Building a successful local authority trading company

Grant Thornton

Our report, 'spreading your wings' focuses on how to set up a local authority trading company and, importantly, how to make it successful. It is available at http://www.grant-thornton.co.uk/Global/spreading-their-wings-LATC-report-2015.pdf

The trend in using alternative models to protect and develop services has continued over the last year. As councils continue to confront financial pressure, many have considered how to reduce costs, generate income and improve efficiency by introducing commercial structures.

The introduction of LATCs has been a key part of this innovation and we predict that the number will grow in the next five years. While restricted initially to areas such as entertainment or airports – for example Birmingham's NEC and Manchester Airport – LATCs have grown into new areas such as highways, housing and education. More recently, LATCs dedicated to the delivery of social care services have emerged.

We recognise that the delivery of a successful company is not easy. In light of this, this report provides practical guidance on the steps that need to be followed in:

- deciding to set up a local authority trading company
- setting up a local authority trading company
- building a successful local authority trading company.

Grant Thornton has worked with many LATCs and continues to support growth in this area. We have based this report on market research, interviews with councils and LATCs, and our own experience of working with LATCs and councils. It is a practical guide drawing on our own experiences but also on the successful companies we have worked with.

Hard copies of our report are available from your Engagement Lead or Audit Manager.
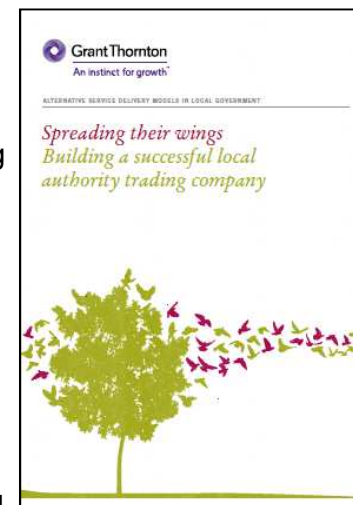
Welfare Reform Review: Easing the burden

Grant Thornton

Our second welfare reform report, 'Easing the burden' provides insight into the impact of welfare reform on English local authority and social housing organisations over the past two years. It is available at http://www.grant-thornton.co.uk/Global/Easing-the-burden-welfare-reform-report.pdf

It focuses on the governance and management arrangements being put in place across the two sectors to deliver reform, the early signs of how successful the reforms have been and the upcoming issues and risks on the reform agenda in the wider context of social impact.

The key messages include:
- The cumulative effect of various welfare reforms is putting a significant financial strain on those people needing welfare support
- The majority of local authorities and housing associations surveyed have seen a rise in average council tax and rent arrears since 2012/13, which they attributed at least in part to welfare reform
- There has been limited movement to smaller properties as a result of the spare room subsidy and benefit cap reforms,
- Local authorities are becoming reliant on Discretionary Housing Payments (DHP) to plug the gap for those unable to pay.
- Any reduction in DHP funding from central government is therefore likely to result in further increases to rent arrears and homelessness in the next two years, unless mitigated by other means
- The withdrawal of ring-fenced hardship funding (formerly the Social Fund) will result in a reduction of provision as the majority of local authorities told us that they are not in a position to fund this from their own revenue
- Reductions in DHP, hardship funding and general funding reductions inhibit the ability of local authorities and housing associations to pursue early intervention policies, preventing people falling into long-term benefit dependency. This has cost implications for the medium- to long-term.
- The cost of administering housing benefit is rising as a result of welfare reform. Around half of local authorities and housing associations surveyed said housing benefit is becoming significantly more costly to administer, partly due to the increased complexity of cases.

Hard copies of our report are available from your Engagement Lead or Audit Manager.
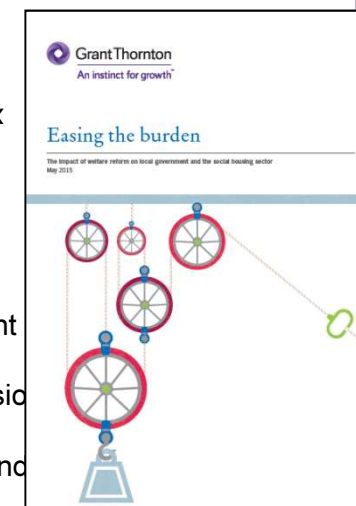
The Queen's Speech 2015 – what is means for local government

Local government issues

The Queen's Speech was presented to Parliament on 27th May 2015 and set out the new government's policies and proposed legislative programme for the next parliamentary session. There are a range of proposals impacting on local government, including:

- A Cities and Local Government Devolution Bill aimed at boosting growth and increasing local government productivity and efficiency. It will provide the legislative framework to deliver the Greater Manchester deal and other future deals. The provisions of the bill will be applied to specified combined authorities and their areas, led by an elected mayor.

- A Housing bill extending right to buy legislation to housing associations and requiring local authorities to dispose of high-value vacant council houses. This bill will also introduce measures to simplify and speed up the neighbourhood planning system other changes to housing and planning legislation to support housing growth.

- An Education and Adoption bill that aims to speed up intervention in failing schools and requires inadequate, and coasting schools to become academies. It is also planned to introduce regional adoption agencies, working across local authority boundaries to reduce delays in the adoption system.

Local Government New Burdens

Local government issues

The National Audit Office (NAO) published its review of new burdens on local government on 5th June 2015.

In 2011, the government reaffirmed its commitment to the New Burdens Doctrine (the Doctrine). The Doctrine set out how the government would ensure that new requirements that increased local authorities' spending or reduced their income did not lead to excessive council tax increases. The Doctrine commits the government to assess and fund extra costs for local authorities from introducing new powers, duties and other government-initiated changes.

The NAO report considers the new burdens regime, how it is managed and overseen and the DCLG's arrangements for new burdens assessments. It concludes that:

• government departments have embraced the new burdens Doctrine and the DCLG's guidance has promoted consistent assessment and encouraged consultation with local government on the impact of new requirements;
• however, the government is not sufficiently open about which new burdens are assessed or the outcomes of assessments; and
• the DCLG has not promoted post implementation reviews to ensure funding is adequate.

The NAO also concludes that the DCLG needs to use intelligence from new burdens regime better, to improve its understanding of the pressures affecting local authorities' financial sustainability.

English devolution – local solutions for a successful nation

Local government issues

The Local Government Association's (LGA) white paper on devolution includes a warning to the new government that the principle of cuts without reform could stifle growth and development and challenge the sustainability of vital local services. The paper sets out:

- Why devolution matters
- The principles to sustain devolution
- A road map to follow to help deliver reform
- Proposals that will strengthen accountability and governance in the new system

It states that:

Local government has done more than any other part of the public sector over the course of the last parliament to make the public finances more sustainable and managed to do so while protecting front line services. All evidence suggests that this cannot continue over the next five years without more radical reform. Given the continuing need to reduce the national deficit, only a reinvigorated agenda for reform, underpinned by sustainable funding for local services, will deliver the ambition of the new Government for our communities and national economy.

Grant Thornton

AGENDA ITEM 5
ANNEXE 1

ANNUAL GOVERNANCE STATEMENT AND EXTERNAL AUDITOR'S AUDIT FINDINGS 2014/15 – PROGRESS AGAINST ACTION PLANS

Report of the:	Director of Finance & Resources
Contact:	Kathryn Beldon or Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annexe 1 - The Council's Annual Governance Statement 2014/15 – progress report
	Annexe 2 – External Auditor's Audit Findings 2014/15 – update on progress
Other available papers (not attached):	Financial Statements 2014/15

REPORT SUMMARY

This report sets out progress on the actions contained in the Council's Annual Governance Statement and in the Annual Audit Findings issued by the External Auditor following audit of the Financial Statements.

	Notes
RECOMMENDATION	
(1) That the Committee receives a report on progress in implementing the Action Plan contained within the Annual Governance Statement and the Audit Findings within the External Auditors Report.	

1   Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1   Corporate Governance affects all aspects of the Council's services because it relates to the framework in which decisions are made. It is defined as the system by which local authorities direct and control their functions and relate to their communities.

1.2   The Annual Governance Statement (AGS) is prepared by the Council each year and published within the Financial Statements. The AGS sets out the controls for good governance that the Council has in place and identifies high level risks to those controls that have been identified in reviewing the Council's operations.

1.3   The Audit Findings for the Council is prepared by the External Auditor (Grant Thornton) following the audit of the accounts and includes recommendations for improvements in controls following the conclusion of the external audit.

1.4   This Committee monitors the delivery of action agreed in both Governance documents. This underpins the Council's Core Value of openness and honesty.

2   Annual Governance Statement

2.1   The Annual Governance Statement (AGS) forms part of the Council's audited Financial Statements. The AGS identifies key risks to the Council's performance at the end of the financial year and the actions to be taken to address those risks during the following year. This Committee is consulted in the preparation of the Annual Governance Statement which is then approved by the Strategy and Resources Committee when the draft financial statements are received in June.

2.2   The Annual Governance Statement for 2014/15 identified nine significant governance risks. The control issues identified in the AGS generally reflect the high risk to the delivery of public services during a period of recession and funding cuts. The risks also reflect more specific risks over resilience of smaller district councils. These risks are as follows:-

2.2.1 **Financial Pressures** – The Council continue to be at risk of budgetary cuts and increase reliance on income streams

2.2.2 **Corporate Governance** – A review of corporate governance has identified a number of weaknesses and failure to comply with procedures.

2.2.3 **Procurement** – the Council is at risk of noncompliance with legislation and Contract Standing Orders

2.2.4 **Managing resources** –the Council has limited resources and skills to deliver service improvements

2.2.5 **Performance Management**- The current framework does not produce the information to address and measure key targets.

2.2.6 **Information Governance** – The Council need to ensure that the mandatory training is complete and all staff is aware of the policies.

2.2.7 **Homelessness** – The rising costs of homelessness has resulted in significant increased budgetary constraints.

2.2.8 **Fraud** – Fraud training and awareness needs to be provided to all staff

2.2.9 **Transparency** – The Council have not met all the requirements of the Transparency Agenda

2.3   Progress made on the action plan is shown in Annexe 1 to this report.

2.4   Officers believe that this addresses the control issues identified in the 2014/15 Annual Governance Statement.

3   Annual Findings from External Audit

3.1   This Committee also monitors the implementation of the External Auditor's recommendations in the report of Audit Findings issued after the audit of the financial statements is completed.

3.2   The External Auditor presented the Audit Findings to Strategy and Resources Committee on 29 September 2015.

3.3   An unqualified opinion was issued for 2014/15.

3.4   The External Auditor identified three residual risks following their VFM Conclusions rated as Green, Amber and Red. These were as follows

   3.4.1   **Executive & Member Engagement (Financial Governance**)   The Council should ensure that the Heads of Service have received full training and on-going support during 2015/16 to ensure that they fulfil the enhanced role in leading the Council as part of the newly formed management team. There needs to be corporate focus by the Heads of Service from 2015/16 onwards to ensure the whole Council delivers the budget and savings identified. (Green)

   3.4.2   **Budget setting & monitoring – revenue & capital (Financial Control)** The Council should ensure that amendments to the capital programme during the year are realistic and achievable by year end to avoid significant slippage in the next financial year. In addition, the Council should ensure that when capital programme budgets are approved they are realistic to ensure that the final project costs are not overspent. (Amber)

   3.4.3   **Effectiveness of key services(improving efficiency & productivity)** The Council received a red rated report from Internal Audit during the year for the procurement arrangements. Improvements need to be made in the service and the internal audit recommendations and the findings from the recent external health check should be implemented to ensure value for money is achieved in contract procurements (Red).

3.5   The agreed Action Plan and progress to date is shown in <u>Annexe 2</u>.

4   Financial and Manpower Implications

4.1   There are no implications for the purposes of this report.

4.2   *Chief Finance Officer's comments:* None for the purposes of this report.

5   Equalities and Other Legal Implications; Sustainability Policy and Community Safety Implications; Partnerships

5.1   There are no implications for the purposes of this report.

5.2   ***Monitoring Officer's comments:*** Good governance is important to ensuring that the Council undertakes its functions in a way that demonstrates compliance with the law and proper standards, and that public money is properly accounted for and used economically efficiently and effectively. Good governance ensures that strategic objectives are set and progress is measured. It also ensures that risks are managed appropriately. Good governance also links to the need to be transparent in what we do and that there is effective scrutiny of decisions.

6   Risk Assessment

6.1   The Annual Governance Statement forms part of the Council's corporate governance arrangements and failure to implement the actions would leave weaknesses in the Council's management controls.

7   Conclusion and Recommendations

7.1   Positive progress has been made in addressing the action required to improve the significant control issues identified in the 2014/15 financial statements.

7.2   The Committee is asked to note;

a)   The progress made on the implementation of actions agreed by the Council in the Annual Governance Statement.

b)   The Action Plan agreed with the External Auditor and contained in the 2014/15 Audit Findings.

WARD(S) AFFECTED: All

AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE
26 NOVEMBER 2015

Annual Governance Statement: Significant Governance Issues

No.	Issue	Agreed Action	Progress to date (November 2015)
1.	**Financial Pressures** – The Council continue to be at risk of budgetary cuts and increase reliance on income streams	The development of the new MTFS with a cost reduction plan will alleviate some of this risk. It is important that the MTFS is accompanied by a detailed plan of how the projected deficit will be reduced. .	The Leadership Team has undertaken a process of Star Chambers, identifying a number of savings which have been built into the 2016/17 budget targets. Those proposals requiring members approval will be reported in the autumn committee cycle.
2.	**Corporate Governance** – A review of corporate governance has identified a number of weaknesses and failure to comply with procedures.	The Corporate Governance Group has identified an action plan to address key issues	The Corporate Governance Group is in place with updated terms of reference and key targets for 2015/16. This will be monitored on a quarterly basis by the Statutory Officers Group
3.	**Procurement** – the Council is at risk of noncompliance with legislation and Contract Standing Order	An independent review of procurement capacity will be completed and officer led Procurement Group will be established to implement agreed actions.	The agreed action plan from the independent health check is being implemented by the Procurement Group. A report of the way forward and progress will go the Strategy & Resources Committee in January.

Annual Governance Statement: Significant Governance Issues (Cont)

No.	Issue	Agreed Action	Progress to date (November 2015)
4	**Managing resources** –the Council has limited resources and skills to deliver service improvements	As part of embedding the new management structure, need to ensure there is adequate resilience and the correct skill sets within each department. A development programme is in place for the Leadership Team.	The development programme for the Leadership Team is in place and will be completed in December 2015. The Service Risks will be considered by the Leadership Team in November addressing resilience issues in service areas and the implications across the whole Council.
5	**Performance Management**- The current framework does not produce the information to address and measure key targets.	As part of developing the new Corporate Plan, the performance framework will be adapted to ensure it captures and measures key actions aligned to the key risks.	With the introduction of the new Corporate Plan the performance management arrangements will be strengthened.
6	**Information Governance** – The Council need to ensure that the mandatory training is complete and all staff are aware of the policies.	Training to be held in June/July 2015.	Training has been completed for all staff and ongoing refreshers will be booked for 2016. The Information Governance Action Plan will continue to be monitored by the Corporate Governance Group

Annual Governance Statement: Significant Governance Issues (Cont)

No.	Issue	Agreed Action	Progress to date (November 2015)
7	**Homelessness** – The rising costs of homelessness has resulted in significant increased budgetary constraints.	A Homelessness project group meets fortnightly to address both demand and supply issues. A project plan is in place and the proposed allocation policy will be fully implemented by December 2015.	The new Allocations Policy is implemented and the project team review fortnightly homelessness to address the key actions. The Project Group are reviewing future options for the provision of Temporary accommodation.
8	**Fraud** – Fraud training and awareness needs to be provided to all staff	Training will be scheduled for 2015	The updated policies will be reviewed by the Corporate Governance Group in November 2015 and training will be rolled out in 2016.
9	**Transparency** – The Council have not met all the requirements of the Transparency Agenda	To complete the action plan and report to Statutory Officers Group with progress	The Council is compliant and the majority of requirements are in place. The improved accessibility of data will be addressed through the development of the new website. The Head of Legal & Democratic Services will be taking a report to the Leadership Team in December 2015.

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AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE
26 NOVEMBER 2015

Residual Risks from Audit Findings for Epsom and Ewell Borough Council – Progress

No.		Issue		Progress to date (November 2015)
1.	**Executive & Member Engagement (Financial Governance)**	The Council should ensure that the Heads of Service have received full training and on-going support during 2015/16 to ensure that they fulfil the enhanced role in leading the Council as part of the newly formed management team. There needs to be corporate focus by the Heads of Service from 2015/16 onwards to ensure the whole Council delivers the budget and savings identified.	Green	A development programme is being rolled out to the Leadership Team to enable them to work effectively as a Team and drive forward the required changes to the organization.
2.	**Budget setting & monitoring – revenue & capital (Financial Control)**	The Council should ensure that amendments to the capital programme during the year are realistic and achievable by year end to avoid significant slippage in the next financial year. In addition, the Council should ensure that when capital programme budgets are approved they are realistic to ensure that the final project costs are not overspent	Amber	Due to the reduced funding available, going forward for 2016 – 2020 there will be fewer projects within the capital programme and resources can be focused on their delivery. The Finance Team will continue to reiterate the need for robust budget and target setting within year. In addition two sets of training have been delivered to capital budget holders.
3.	**Effectiveness of key services(improving efficiency & productivity)**	The Council received a red rated report from Internal Audit during the year for the procurement arrangements. Improvements need to be made in the service and the internal audit recommendations and the findings from the recent external health check should be implemented to ensure value for money is achieved in contract procurements	Red	The independent heath check was completed in August with a number of actions covering strategy, policy and systems. The Procurement Group has been established as part of addressing gaps in governance and will be key in addressing the action plan An update including a new Procurement Strategy will be reported to Strategy & Resources in Jan 16

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INTERNAL AUDIT – MONITORING REPORT

Report of the:	Director of Finance and Resources
Contact:	Doug Earle or Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annexe 1 - Internal Audit Progress Report
Other available papers (not attached):	Strategy for Internal Audit for 2015/16

REPORT SUMMARY

This report summarises progress against the audit plan for 2015/16.

RECOMMENDATIONS

(1)   That the Committee receives the Internal Audit Progress Report for 2015/16.

1   Implications for the Council's Key Priorities, Service Plans and Community Strategy

1.1   None for the purposes of this report.

2   Background

2.1   The Committee's terms of reference includes the requirement to monitor implementation of recommendations from the external and internal auditors.

2.2   On 23 June 2015 the Committee received the internal audit assurance report for 2014/15. There were no matters arising where the Committee required further reports.

2.3   The Committee endorsed the Strategy for Internal Audit for 2015/16 on 9th April 2015.

3   Audit Findings

3.1   The Internal Audit Progress Report covering the period to date for 2015/16 is attached as Annexe 1 to this report.

3.2   The report monitors the delivery of the audit programme and contains the key features that this Committee has requested. Baker Tilly / RSM use the traffic light system of Red, Amber and Green. Amber has been split into two classifications (Amber-Green and Amber–Red) in order that the auditors can give a clear indication of whether an assurance is positive or negative. During the year, progress reports will reflect the opinions given and build a picture of findings towards the end of year opinion. The recommendations within each report are categorised as High, Medium or Low.

3.3   The report (see Annexe 1) monitors the effective delivery of the audit programme and contains the key features that this Committee has requested previously:-

   3.3.1   It provides a summary of progress against the internal audit plan.

   3.3.2   Internal Audit Plan Performance.

   3.3.3   Any alterations to the Audit Plan are highlighted, as are any planning issues.

   3.3.4   Key Findings from Internal Audit Work, identifying the headline findings and the agreed recommendations.

3.4   Eight reports have been finalised and there are three in draft.

Assignment	Opinion	Actions Agreed		
		H	M	L
Attendance	**Green**		1	1
Recruitment	**Amber/Green**		1	5
Review of Anti Fraud and Anti Bribery Arrangements	Advisory	1	5	3
Cash Handling	**Amber/Green**	1	3	2
Information Governance	**Amber/Green**		2	8
Post Implementation of CRM (from 14/15 Plan)	Advisory	1		
Venues	**Amber/Green**		1	1
PCI Compliance	**Amber /Red**	3	6	0

   CRM Review

3.5   As part of the 2014/15 Plan, specialist auditors completed a post implementation review of the implementation of the CRM. The review concluded that the IT infrastructure and software were adequate although certain processes required additional work activities that when completed would enable business benefits. There were a number of processes that require parallel systems or workarounds in order for the teams to conduct everyday business. They recommended that the Council stabile, design, develop, operate and support the existing platform.

3.6   A Project Group has been established to improve the business processes, the Issues Logs have been amalgamated into one corporate log which is now regularly updated. Further development work on the CRM system has been suspended and the Project Group will be developing an action plan to deal with the more complex issues such as aligning the business processes and reviewing the security levels and permissions within the system.

3.7   There are three reports in draft, and these will be reported to the next meeting. These are:-

Assignment in Draft	Draft Opinion
Project Management	**Advisory – Project Management is in its infancy**
Contract Management	**Advisory – limited formal contract management processes and controls in place.**
Property Maintenance	**Amber/Red**

4   Financial and Manpower implications

4.1   There are no specific financial or manpower implications for the purpose of this report.

4.2   Officers are taking a pragmatic approach to ensure that the process does not become unduly bureaucratic, whilst ensuring that reasonable changes are considered where appropriate.

4.3   *Chief Finance Officer's comments:* None for the purposes of this report.

5   Legal Implications (including implications for matters relating to equality)

5.1   Baker Tilly has rebranded and will now be known as RSM.

5.2   *Monitoring Officer's comments:* There are no implications arising directly from this report. However, there are clear issues arising from some of the individual audit reports and it will be necessary to ensure that those issues are addressed in accordance with the specific recommendations agreed in each report.

6   Sustainability Policy and Community Safety Implications

6.1   There are no particular community safety implications for the purpose of this report.

7   Partnerships

7.1   The Council will work with Internal Auditors to improve risk management arrangements.

7.2   The contract for internal audit services is held jointly with Mole Valley, Reigate and Banstead, Tandridge and Waverley Councils and the Surrey Police Authority.

7.3   A meeting was held in September to review the contract arrangement with the other members of the Consortium.

8 Risk Assessment

8.1 The internal audit service forms a statutory part of the Council's internal control arrangements.

9 Conclusion and Recommendations

9.1 There have been no audit reviews completed with a red assurance in this monitoring report although Committee should note that one number of draft reports rated as Amber/Red and the auditors have identified weaknesses in control in two Advisory Reviews. Although as draft reports they are subject to agreement.

<u>WARD(S) AFFECTED</u>: ALL

THE POWER
OF BEING
UNDERSTOOD

EPSOM AND EWELL BOROUGH COUNCIL

Internal Audit Progress Report

Audit, Crime & Disorder and Scrutiny Committee Meeting

26 November 2015

RSM

CONTENTS

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to our Client on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

1 INTRODUCTION

The Internal Audit Plan for 2015/16 was approved by the Committee in Date 9 April 2015. This report provides a summary update on progress against that plan and summarises the results of our work to date.

2 REPORTS CONSIDERED AT THIS AUDIT COMMITTEE

This table informs of the audit assignments that have been completed and the impacts of those findings since the last Audit Committee held.

The Executive Summary and Key Findings of the assignments below are attached to this progress report at Appendix A.

Assignment	Opinion issued	Actions agreed		
		H	M	L
Attendance (1.15/16)	Green	-	1	1
Recruitment (2.15/16)	Amber/Green	-	1	5
Review of Anti-fraud and Anti-bribery Arrangements (2013/14) (3.15/16)	Advisory	1	5	3
Cash Handling (4.15/16)	Amber/Green	1	3	2
Venues (5.15/16)	Amber/Green	-	1	1
Information Governance (6.15/16)	Amber/Green	-	2	8
PCI Compliance Control Framework (8.15/16)	Amber/Red	3	6	-

In addition we have completed our advisory review of CRM: Support Knowledge Transfer, and management have agreed to findings and are working on an action plan to take the matters raised forward.

2.1 Impact of findings to date

To date there are no areas that we need to bring to your attention as adversely impacting on our annual opinion.

Overall the level of findings and recommendations is low and management actions are being responded to in a timely manner.

2.2 Themes arising from our findings

The table below shows the issues we have flagged to date in our reports this year, and the underlying causes of the control weaknesses.

Root cause	High	Medium	Low
Policies and / or procedures out of date	1	6	4
Non-compliance with policies / procedures	-	3	1
Poor design of the control framework	3	5	5
Lack of training / awareness for staff	1	2	4
Lack of or poor management or performance information	-	1	3
Lack of segregation of duties	-	-	-
Poor record keeping	-	-	4

3 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2015/16	Status
Property Maintenance (7.15/16)	2013/14	Draft Report issued 7 October 2015
Project Management (9.15/16)	Quarter 4	Draft Report issued 22 October 2015
Contract Management (10.15/16)	Quarter 1	Draft report issued 23 October 2015
Income from recycling: green waste	Quarter 2	Deferred to December 2015 at management request
Income from car parking	Quarter 2	Fieldwork underway
Capital accounting and asset management	Quarter 3	
Facilities Management	Quarter 3	
Data Quality	Quarter 3	
Payroll	Quarter 3	
IT Audit	Quarter 3	
Performance Management and Delivery of Corporate Plan	Quarter 4	
Risk Management	Quarter 4	
Governance	Quarter 4	
Procurement	Quarter 4	
Fleet Management	Quarter 4	

4 OTHER MATTERS

4.1 Changes to the audit plan

There have been no changes to the audit plan to date.

4.2 Added value work

We have undertaken the following added value work since the previous Audit Committee.

Area of work	How this has added value
Our audit of project management and contract management were undertaken by a specialist in this area.	Our audit has provided the Council with a greater level of skill in these areas which has resulted in areas for management attention which may not otherwise have been determined. These reports are currently in draft for management review. .

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4.3 Key performance indicators (KPIs)

Delivery	Target	Actual	Notes (ref)	Quality	Target	Actual	Notes (ref)
Audits commenced in line with original timescales	Yes	Yes	1	Conformance with PSIAS and IIA Standards	Yes	Yes	-
Draft reports issued within 10 days of debrief meeting	100%	75%	2	Response time for all general enquiries for assistance in 2 working days	100%	100%	-
Final report issued within 3 days of management response	100%	100%	-	Response for emergencies and potential fraud	1 working day	N/A 100%	-
Notes							
1 – Dates have been changed at the request of management							
2 – Reports were delayed earlier in the year. Delays now addressed.							

APPENDIX A: EXECUTIVE FINDINGS AND ACTION PLANS

Assignment: Attendance Management (1.15/16)	Opinion:	Green

The key findings from this review were as follows:

a) Attendance data is reviewed on an annual basis at Council level, the most recent data reported was from the end of the last financial year 2014/15. During 2014/15 there were reported to be a total of 2113.72 working days lost to staff absences. This represents an increase of 17% on the previous financial year 2013/14. This increase in the number of working days lost to sickness was put down to an increase in the number of days lost to long term absences. In contrast the number of working days lost to short term absence fell by 18% on the previous financial year.

b) The average number of working days lost per employee was 6.75, an increase on 5.6 days in 2013/14 days, and which is above the Council's target of 6 days. From the Chartered Institute of Personnel and Development's national survey, the industry average for employee days lost to sickness is 8.2 days within the public sector. Despite the Council not meeting the target of 6 days per employee, it has performed well against the industry average as per the CIPD's benchmark figure.

Evidence of well-designed controls identified in our audit being effectively applied

c) The Council has in a place a robust set of policies and procedures with regards to the attendance management process at the organisation. The policy details how absences are to be dealt with and the strategies in place to mitigate sickness absence.

d) Policies and procedures should be accessible to all members of staff to ensure that all employees have a full understanding of the absence/attendance reporting procedure at the Council. The Councils absence policies and procedures are widely available to employees via the staff intranet.

e) Our substantive testing found that all dates input and recorded on iTrent were accurately supported by archived sickness certificates.

f) We confirmed that access to the iTrent system is restricted to appropriate users such as line managers and key HR personnel. Information stored on iTrent is password protected for use both by HR and the appropriate Line Manager. The cumulative monthly and quarterly reports are saved in the secure drive for HR use only. Line managers can produce mini reports for their sections which will illustrate trends and where triggers have been hit.

g) Each month the HR Information & Systems Officer ensures that the absence data on iTrent reconciles with employees self-certification documents and medical notes. For a sample of 10 we agreed these to the data on iTrent.

h) When individual absences hit a number of absences within a 12 month period, a trigger point is activated and a 'wellness review meeting' takes place between HR and the employee. The HR Team keep a record of individuals who have met the trigger point and their reasons for absence. For a sample of employees who had reached said trigger points we found that all had been subject to a 'wellness review meeting'. In addition all individuals sampled were present on a monthly 'trigger log'.

i) If an individual is off for a period of 8 days or greater they are required to provide a doctor's note to confirm that they were unfit to work. For a sample of employees who had been off eight days or longer a doctor's note was in place to explain the absence.

j) Where the Council is concerned for an employee's health or welfare or ability to carry out their role, it may ask individuals to attend a medical appointment with the occupational health provider. Within our sample of 10 long-term absences tested only three individuals were referred to occupational health, and where there is correspondence in place with the individuals GP it is often not deemed necessary. Where required, necessary documentation was in place to evidence that the occupational health meeting had taken place and the discussions carried out at the meeting.

k) If an individual is off for a period greater than two weeks medical notes should be in place to verify the reasons why the individual was off sick and cover the absence period. Where an employee has been absent for two months or more and there is no identified return date in the near future, the line manager will contact the employee to arrange an informal meeting to discuss the current situation and when a return to work can be reasonably expected. For a sample of individuals who were off long term sick none exceeded the two month point. For any absences greater than two weeks supporting consecutive medical notes were in place to explain the reason for the individual's sickness and to account for the length of the absence period.

We identified the following weaknesses where recommendations have been raised:

l) On an individual's return to work from a period of sickness absence a formal 'return to work' interview should take place between the employee and their line manager. For a sample of 10 individuals tested eight had not had a 'return to work' interview carried out. There is a risk that if back to work interviews are not being carried out on an employee's return any issues surrounding absences may not be fully addressed leading to further potential absences in the future.

m) On an individual's return to work they are required to complete a self-certificate form detailing the length of their absence and their reasons for not attending work. From a sample of ten individuals we found that two who had returned from work did not have a self-certificate in place detailing the length or reason for their absence. Without the information on the system being appropriately backed up with a self-certification form or medical note there is no way to confirm the length of an absence and the reasons as to why it has occurred. This creates the risk that absences are not appropriately recorded on the system and do not give a true reflection of the levels of absenteeism at the Council.

	Agreed Management Action	Implementation Date	Manager Responsible
1	On an employee's return to work an automated reminder email will be sent out to the employee and line manager to ensure back to work interviews are carried out and formally recorded on iTrent. In addition a member of the HR team will review ITrent on a monthly basis keeping a log of where back to work interviews are outstanding. Managers will be continually prompted by HR until the meeting has taken place and they can be removed from the log. (Medium)	July 2015	Shona Mason - Head of HR and Organisational Development
2	On an employee's return to work an automated reminder email will be sent to staff to ensure self-certificates are filled out and returned to Human Resources. Reminders will be continuously sent out until the form has been completed and returned to HR. (Low)	July 2015	Shona Mason - Head of HR and Organisational Development

Assignment: Recruitment (2.15/16)	Opinion:	Amber/Green

The key findings from this review are as follows:

We identified the following weaknesses:

a) There is a 4 year HR strategic resource plan in place which is due to be refreshed in April 2016. There is scope within this document for detailed analysis to assess future demand within the HR Team.

b) The Council does not formally review the effectiveness of advertising and recruitment methods for job posts at the organisation however alternative methods of advertising via different jobsites for example are considered if current methods are proving to be ineffective and costly.

c) Management annually report on the costs associated with recruitment each year. During 2014/15 there were a total of 52 recruitment campaigns. In addition the Council should look to incorporate non-financial measures when analysing recruitment. Such as:
   - Average number of applicants per job posting (volume)
   - Percentage of applicants who meet minimum job criteria (Quality)
   - Time taken to fill each job opening (effectiveness)

d) Agency staff details and checks are captured centrally by HR via monthly forms completed by Heads of Service and are recorded on a central spreadsheet. Managers locally currently have delegated authority to engage agency staff. These arrangements need to be reflected in the Council's HR policies and procedures.

e) Any new posts created at the Council must be authorised by the line manager and the appropriate director and evidenced via an REC01 form prior to the job being advertised. For a sample of 10 new roles at the Council we found that nine out of the 10 had been appropriately authorised as per the Council's policies and procedures. However for one position there was no REC01 form in place evidencing why the position had been created and who had authorised the advertisement of the job role. There is a risk that without proper authorisation and review, positions at the Council may be created where it may be inappropriate resulting in unnecessary staffing and recruitment costs.

f) As per the Council's policies and procedures all job advertisements at the Council should contain the following statement as part the organisations anti-discrimination policy 'We welcome applicants from all sections of the community.' We reviewed two current advertisements on the Council's website and found neither contained the anti-discrimination statement although the statement is detailed in full on the Council's Recruitment webpage. There is a potential risk that as a result of non-compliance that recruitment is not delivering against wider initiatives and anti-discrimination policies at the Council.

Evidence of well-designed controls identified in our audit being effectively applied

g) The Council has a policies and procedures for the recruitment process at the organisation. The policies cover full time employees, agency workers, part-time workers and individuals on fixed term contracts.

h) Policies and procedures regarding recruitment are widely available to staff at the organisation via the Council's intranet. In addition new managers are provided with training in relation to the recruitment policy when they first join the Council.

i) All applicants, internal and external, are required to complete an application form for any new post created; this is to ensure consistency in the application process and to comply with legislation on equality monitoring. For a sample of 10 individuals who took up posts at the Council an application form was on file for all.

j) Role profiles advertised by the Council set out the key responsibilities, accountabilities and the scope of the job. Furthermore the profile set out the minimum experience, skills, knowledge and abilities necessary to do the job satisfactorily.

k) All individuals present during a candidate's interview should have received formal training on the processes involved with vetting a candidate. For a sample of five managers at the Council who were present at candidate interviews, we found all had received formal training on November 2013.

l) Depending on the seniority of position advertised at the Council certain criteria has to be met with regards to the constitution of the interview panel.

m) For a sample of 10 individuals interviewed at the Council we found that the appropriate numbers of individuals were on the interview panel. The individuals on the panel were appropriate for the level of position being interviewed for.

n) The Human Resources Team annually produce statistics with regards to anti–discrimination and diversity monitoring at the Council. We were provided with the latest report from the end of the last financial year

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2014/15. The report detailed various statistics such as gender, sexuality, and ethnicity of candidates who applied for roles at the Council.

o) Prior to employment at the Council individuals are subject to various pre-employment checks to ensure the candidates selected are appropriate for the roles they've applied to. For a sample of 10 new employees we found that all had two references on file and in addition where required, evidence of their academic achievements was on file.

p) We satisfactorily verified that pre-employment checks had been undertaken for a sample of agency workers engaged by the Councils Depot and that the central HR team had been notified of these details.

	Agreed Management Action	Implementation Date	Manager Responsible
1	The HR strategic resource plan for 2016 -2020 will include detailed analysis of employment trends, turnover rates and expected resource demands for the HR section. (Low)	April 2016	Head of HR & OD
2	There will be improved compliance to ensure all REC01 forms have been completed and are on file, and these will be routinely checked. (Low)	1st Jul 2015	Head of HR & OD
3	The Council's policies and procedures will be updated to reflect the fact the depot has delegated authority to carry out background checks and store employee data for all agency staff. (Low)	1st Oct 2015	Head of HR & OD
4	The Council agreed to ensure that all anti-discrimination statements as detailed in the 'recruitment selection toolkit' will be included in all job advertisements to ensure the council is effectively delivering against wider initiatives with regards to diversity and discrimination. The job advertisement checklist currently used will be amended to include a check that such statements are present. (Low)	22nd June 2015	Head of HR & OD
5	A regular review whether the current methods for advertising are effective will be undertaken along with the use of alternative methods of advertising via other jobsites if current methods are proving to be ineffective and costly. Measures of effectiveness could include - Average number of applicants per job posting (volume) - Percentage of applicants who meet minimum job criteria (Quality) - Time taken to fill each job opening (effectiveness) The use of and cost effectiveness of the employment agencies used by the depot will be reviewed. (Medium)	1 July 2015	Head of HR & OD

6	Management will look at incorporating non-financial indicators into performance monitoring. Indicators could include the following: - average time to fill a position from point of advertising; and - Turnover rate (how often positions are re-advertised). (Low)	1 April 2015	Head of HR & OD

Assignment: Review of Anti-Fraud and Anti-Bribery Arrangements 3.15/16	Opinion:	Advisory

a) In assessing the Council's resilience to fraud and bribery we were unable to identify any specific risk that exposed the Council to attack either internally or externally. However, we identified that the Council's strategic approach around raising awareness to fraud and bribery is lacking, and these underpin the culture and awareness of the organisations response to fraud. Our overarching recommendation is that the Council streamlines its strategic approach to encompass anti-fraud and anti-bribery awareness training that should be supplemented with:
- Leaflets, flyers and anti-fraud and bribery literature,
- A dedicated internal and external web-page
- Clearly defined whistleblowing procedures or other reporting mechanisms.

b) The Council must recognise that its main defence against fraud and bribery is its staff. Control measures alone will not stop or prevent fraud or bribery. The focus must be on prevention rather than cure. It is far easier and more cost-effective to prevent fraud and bribery than it is to investigate them and seek redress. One of the most effective means of preventing fraud and bribery is to increase the perception of early detection and a robust response. This message must be endorsed by a strong statement that promulgates swift and certain action where instances of fraud and bribery are identified. The simplest and most cost-effective way of achieving this is through a programme of education where staff are educated as to the risks, how to recognise the warning signs, and how to report concerns. However, for this to be effective, staff must have confidence that their concerns will be taken seriously and that they will not face reprisals for raising legitimate concerns. This message must be endorsed with a consistent tone from the top which commits to a zero tolerance approach.

	Agreed Management Action	Management Comment	Manager Responsible
1	The Council should streamline its strategic approach to include anti-fraud and anti-bribery awareness training that should be delivered as part of an induction process. Having been delivered at induction the training should include a continuing rolling process of bespoke fraud and bribery awareness sessions delivered on a yearly or bi-yearly basis. These session should be supplemented with: • Leaflets, flyers and anti-fraud and bribery literature • A dedicated internal and external web-page A clearly defined whistleblowing or reporting mechanism. (High)	This will be incorporated into the Corporate Governance Action Plan and training will be developed. Initial training will be given to the Leadership Team and bi yearly awareness sessions will be established The induction training will be reviewed to ensure it adequately reflects the Council's approach to fraud.	G McTaggart S Mason (induction training) Dec 2015

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2	The Council should conduct an on-line assessment / questionnaire to measure the level of anti-fraud and anti-bribery awareness within the Council. The results of the assessment should form the basis of an educational awareness package for both new starters and existing employees. This could include an online training module, training workshops, development of a counter fraud webpages and the distribution of anti-fraud and anti-bribery publicity material. (Medium)	As part of awareness campaign, we will introduce posters and signposts. There will be dedicated information on both the web site and intranet and an online assessment is not considered beneficial as awareness sessions will be bi yearly.	
3	It is recommended that the Council reviews documentation and forms where a declaration is made to the effect that the information provided is true and accurate. Examples of such forms would include: • Job applications forms • Expense claim forms • Housing application forms • Council tax application / change of circumstances forms. An example of a more robust declaration is highlighted below: I declare that the information I provide on this application is true and accurate. I understand that if I have provided any false, misleading or inaccurate information, then my application may be rejected or that I may be subject to disciplinary proceedings which could amount to my dismissal and or action being taken against me in the civil and criminal courts for offences identified under the Fraud Act 2006 / Housing Act… (Medium)	As documentation is reviewed we will enhance the declaration within the forms to strengthen the declaration. A review will be undertaken by the Corporate Governance Group to look at the documents to be updated.	April 2016 Corporate Governance Group

4	The Council should ensure that the following polces dovetail with one another and there is a clear signpost that links to the other policies and that throughout all policies a firm tone from the top endorses a zero tolerance approach to instances of fraud and bribery: • Anti-fraud, Anti-bribery Strategy and Whistleblowing Policy • Fraud Response Plan • Anti-bribery Policy • Codes and protocols • Procurement tool kit • Financial regulations • Anti-money Laundering Policy. This would ensure a more streamlined and consistent approach to the Council's strategic objectives of creating an anti-fraud culture. (Medium)	These policies will be reviewed and updated in line with best practice to ensure they are more streamlined. The relevant Heads of Service will be responsible for updating their documents.	G McTaggart & Relevant Heads of Service April 2016
5	The Council should ensure that the following policies place a clear expectation upon all staff to conduct their affairs in such a manner as not to expose the Council to the risk of fraud or bribery and that all suspected instances of fraud, bribery and bribery are reported at the earliest opportunity: Anti-fraud, Anti-bribery Strategy and Whistleblowing Policy Fraud Response Plan Anti-bribery Policy Codes and protocols Procurement tool kit Financial regulations Anti-money Laundering Policy Ethics Policy Discipline Policy Employment contracts Procurement policy. (Low)	This will be reviewed by the Corporate Governance Group and form part of their Action Plan	G McTaggart December 2015
6	It is recommended that the Council make a clear expectation of all staff and members to report instances of suspected fraud and bribery without delay. This expectation needs to be communicated in the following policy documents and literature: Anti-Fraud and Bribery Policy Ethics Policy Discipline Policy Whistleblowing Policy Financial Regulations Employment Contracts Procurement Policy. (Medium)	Council Officers are expected to report all suspected fraud or bribery. As part of the awareness sessions this message will be strengthened and the policies will be reviewed and updated as necessary.	Corporate Governance Group December 2015

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7	The Council should review its use of agency staff and insist that agency providers provide written confirmation of the post holders suitability to fulfil the role within the Council and that the agency has conducted background checks to ensure the post holders suitability to fulfil the role within the Council. (Medium)	The Council have received a separate report on Agency Procurement identifying a number of issues. These are currently being addressed and a report went to Strategy & Resources Committee 24th June 2015 to agree the way forward. This will reduce reliance on agency staff as well as ensuring adequate checks are undertaken by the agreed Provider.	December 2015
8	Once anti-fraud and anti-bribery awareness training sessions have been delivered, the Council should introduce a system / mechanism for recording all referrals made. This would allow the Council to conduct a root cause analysis of any suspected or identified misbehaviour and this should be used to inform future fraud and bribery disruption strategies. (Low)	All instances of fraud will be raised through the Corporate Governance Group to review the cause, highlight any weaknesses in controls and the action required to strengthen controls	Gillian McTaggart immediately
9	In producing the ICT Acceptable Use Policy, the Council should include a specific reference and paragraph to the implementation of a lawful business monitoring protocol. This enforces the legal position of the Council to monitor and review IT and telephone systems for the prevention and detection of crime. (Low)	A separate lawful business monitoring protocol is not required but the Head of ICT will ensure wording is strengthened	Mark Lumley December 2015

Assignment: Cash Handling (4.15/16)	Opinion:	Amber/green

The key findings from this review are as follows:

a) There are currently no corporate cash handling procedures. These are particularly required to prescribe standards and define those controls expected across the organisation. There is particular merit in issuing such instructions at the time of the closure of the cash office to ensure local officers are aware of their responsibilities in accounting for such transactions.

b) As part of this review we particularly sought to examine a number of areas where cash handling risk was considered to be high. These were areas where volumes of transactions were low but values high (deceased estates), where customers have been resistant to the use of other methods of payment or where cash continues to be received at sites other than cashiers (Gypsy Site Rents / Market Traders). From our testing of 20 historic transactions, interviews with responsible managers and direct observation of cash receipting and reconciliation processes we are assured that there is generally sufficient control in cash handling, security and documentation with adequate separation of duties. Our work did highlight a number of significant exceptions. In particular from our detailed testing we found:

c) Gypsy site rents receipts were not being issued by the rent officer for monies collected and in this respect any allegations of fraud or irregularity could not be systematically refuted. Additionally at the time of our audit we were informed that the rent accounting system had not been operating for more than 6 months due to software problems and that individual rent accounts were not active. Rent payments at the time of the audit were being posted to a holding account pending system correction.

d) The Officer collecting Gypsy rents is taking the cash home with him after Friday collections and bringing it back to the Town Hall for deposit with Cashiers on a Monday. (Cash levels range between £50 and £200).

The transport of such cash sums provides for an increased risk profile.

e) A large cemetery cash payment was received (£4K) in respect of funeral arrangements in March 2015. This payment was received in person by the Cemetery Officer from bereaved relatives after the Cash Office had closed and was in respect of a funeral the following day. It was held securely overnight at the Town Hall before being passed to the Cash Office the following day. After the closure of the Cash office in November there is potential for increased risk in such areas as cash payments will continue to be tendered directly by the public.

f) Procedures in place for deceased estates are clear and satisfactory and our sampling confirmed that cash counted and taken from site is evidenced by the signature of two officers. Sums of cash involved can on occasion be large and in excess of £1k although on average only 2 cases a year occur.

g) A small minority of Market Traders refuse to set up direct debit payment processes via the debtors system and continue with cash payments. Receipting and documentation of these transactions is satisfactory although resource intensive and costly to administer.

h) Our sampling satisfactorily verified adequate detail regarding cash transactions selected and posted via the cash receipting system and banking processes. The Exchequer Service Team reconciles Cash Office receipting systems and those external bankings made by other service depts. These reconciliations are tested as part of our annual key audit programme and were last reported in our finalised report dated March 2015.

i) We satisfactorily carried out direct observation and walkthrough testing of cash transactions that came through the Post opening and drop box processes at the Town Hall and that handed into the foyer receptionists.

j) We verified that a business case and rationale has been agreed by the management team regarding the closure of the public cashier service and is to be offset by the promotion of alternative methods of payment such as:
- A night safe facility so that deposits can be made when the Cash Office facility is closed. This will enable payments still to be taken at the Town Hall, but it would be made clear that no receipt will be given for these payments;
- A telephone with restricted access to be sited by the Cash Office that will allow customers to make payment by credit or debit card;
- The use of kiosks placed in the Civic Street where customer can make payment using the web;
- Other methods of payment that will also be promoted such as paying through their bank and using the Council's website.

k) At the time of our audit a project plan had not been created to monitor and report upon progress of the cash office closure. Management have agreed that a project plan must be drawn up to provide a clear timeline of those actions and responsibilities that will be required to implement this objective. In particular we would recommend (and management have agreed) that a project risk register is also created to accompany the detailed project plan. This would list specific risks and actions and particularly those service areas which will be significantly impacted by the closure. Those discussions and alternative arrangements for cash collection which are currently underway should be documented here and any residual risk highlighted for consideration of the management team. A monthly update to the register will be reported to the management team in the period leading up to the actual closure.

l) From our research of other Authorities (see 3.3.2) we note that Epsom continues to accept and offer cash transactions at levels significantly higher than neighbouring Councils. In the longer term a strategy is required to reduce further the reliance on cash transactions through Council Offices. One neighbouring Authority (Reigate and Banstead Borough Council) has taken the view that cash transactions will not be accepted at any Council site and this is not offered as an option to Customers. Cash can only be accepted as a payment to this Council by way of a transaction at a UK bank. This decision was arrived at after demographic and consultancy research within the Borough demonstrated that the public were now very comfortable with electronic payment methods and online transactions. In this respect they sought to align Council income systems with this cultural shift whilst also improving and updating their CRM processes and realising significant overhead savings. Other neighbouring Authorities are on a similar journey to minimise cash transactions with a future view to similarly withdrawing these type of transaction altogether.

	Agreed Management Action	Management Comment	Manager Responsible
1	Corporate cash handling procedures will be produced to prescribe standards and define those controls expected across the organisation. Management agree that there is particular merit in issuing such instructions at the time of the closure of the cash office to ensure local officers are aware of their responsibilities in accounting for such transactions. (Low)	November 2015	Head of Financial Services
2	Local procedures must make clear: - who is responsible for collecting and receipting cash transactions - the audit trail and local documentation for recording such transactions - the secure retention and banking of cash - processes for ensuring cash collected is reconciled to postings in the accounting ledger. Where appropriate these procedures will also need to be updated to take account of the closure of the Cash Office. (Low)	December 2015	Services Managers / Head of Financial Services
3	Signed receipts will be issued for all gypsy site rent transactions. A copy of this will be retained and the receipt number recorded on the weekly collection sheets held. Once operational again up to date rent accounts will be posted with historic rent debit and payment transactions for 14/15. (High)	November 2015	Gypsy Liaison Officer
4	Gypsy rent collection –Management agree that the taking of cash home must be avoided if at all possible. Other options such as banking the cash on Friday at a local bank rather than waiting for the Cash Office will be explored or collecting the rents at a different time / day. (Medium)	November 2015	Gypsy Liaison Officer

5	A project plan will be drawn up to provide a clear timeline of those actions and responsibilities that will be required to progress the closure of the cash office. In particular management have agreed that a project risk register is also created to accompany the detailed project plan. This will list specific risks and actions and particularly those service areas which will be significantly impacted by the closure. Those discussions and alternative arrangements for cash collection which are currently underway will be documented here and any residual risk highlighted for consideration of the management team. A monthly update to the register will be reported to the management team in the period leading up to the actual closure. (Medium)	October 2015	Head of Financial Services
6	In the longer term the Exchequer Team Leader agrees that a strategy is required to reduce further the reliance on cash transactions through Council Offices. This consideration will be further developed in in action plans intended to encourage electronic payments and only accept cash via banking. (Medium)	April 2016	Head of IT / Financial Services

Assignment: Venues (5.15/16)	Opinion:	Amber/green

There is an appropriate control framework established.

We identified that the Council does not have a strategic plan with regards to the operations of its venues. There is a risk that without a strategic plan any opportunities for cost saving, marketing and income improvement opportunities may not be identified and as a result are unlikely to be realised by the Council over the coming years.

Application and compliance with the Control framework:

We confirmed that the controls are generally complied with in practice with one exception.

Annually the Council reviews and update the schedule of rates charged for the hire of venues to the general public. These are then updated on IRIS and on the Council's website. For the Longmead Social Centre the schedule of rates had not been updated and was still being advertised as the rates agreed in the last financial year on the Council's website. There is a risk that customers having agreed to pay the rate as per the Council website may be unwilling to pay the rate agreed by the Council.

We identified the following areas where the Council had well-designed controls in place:

a) Venue fees and charges are reviewed annually as part of the Council's budget setting process. These are then ratified by the Council prior to the start of each financial year. This year's annual uplift in fee parameters was ratified by the Council on 17 February 2015.

b) Once fee parameters have been agreed for the new financial year they are updated on IRIS. For a sample of payments made we found the amount charged as per the invoices reconciled to the newly agreed schedules of rates agreed by the Council.

c) Once the venue has been booked for hire a debtor invoice is raised for the amount due and for payment prior to the event. For a sample of payments we found that the value on the invoices matched those on

the accounting ledger and the receipts of income matched to debtor invoices.

d) Any expenditure against the budget for venue management is carried out in line with the Council's policies and procedures. Once a purchase order has been raised it must be approved by an authorised office. For a sample of 10 invoices paid we found that all payments had been appropriately approved and segregation of duty was present.

e) Monthly aged debtors reports are produced by the Finance Team, and where necessary outstanding debts are identified and chased up by Finance Administrator.

f) Debt recovery at the Council is undertaken through using a combination of reminder and direct contact with the debtor to pursue arrears and all recovery action is recorded on the notes facility within ledger. Where a debt cannot be recovered it is passed onto legal. We confirmed that for our sample of invoices sufficient attempts were made to recover the Council's debts.

g) Managers are provided with monthly budget monitoring reports detailing expenditure at the Venues against budget; these are reported from the ledger. *It is up to individual managers and accountants to decide how regularly they should meet, but as a minimum they meet quarterly.*

h) Tendering of services for all venues operations is in line with those as per the Council's procurement policies and procedures. The Council has not procured for any services in relation to venues management since 2006. The last two procurement activities carried out were for catering contracts worth a combined total of £40k.. We are aware that the Council is focussing on procurement activities as a separate exercise and so we have not looked in to this or raised any management actions.

	Agreed Management Action	Management Comment	Manager Responsible
1	The Council has a timetable for the completion of a venues marketing and cost saving plan. The plan will address: - how the Council aim to increase revenue; - how the Council aim to cut costs; - a marketing plan; and - future forecasted spend on improving the venues. (Medium)	31 March 2016	Andrew Lunt - Head of Venues and Facilities
2	The Council will amend the website to reflect new price plan the Council has in place for the Longmead Social Centre. (Low)	30 September 2015	Andrew Lunt - Head of Venues and Facilities

Assignment: Information Governance (6.15/16)	Opinion:	Amber/green

a) The Data Protection Policy and IT Security and Acceptable Use Policy are communicated to staff with additional guidance notes. Both policies are clear and detailed and seek to ensure that the authority maintains and uses data that is fully compliant with legislative requirements and meets the business and information needs of the Council. The Data protection Policy recognises that the Council is acting as custodians of personal data which can often be of a sensitive nature. It acknowledges its legal and moral duty to ensure that data is handled properly and confidentially at all times, irrespective of whether held on paper or by electronic means. The Security Policy particularly seeks to prescribe controls in respect of:

- o System Integrity
- o Physical / Software Security
- o Passwords
- o Laptops / Portable Devices
- o Approved Email use (Internal and External)
- o Remote Use of network
- o Approved Use of Internet
- o Telephone System Use

i) Staff are required to sign a declaration of receipt and understanding of these policies. These declarations are held on staff HR files. From our testing of 5 staff (including one casual) we found that HR held a declaration for 4 staff in respect of the IT Security Policy and from 2 staff in respect of the Data protection Policy.
Going forward a further sweep and refresh of this process is required to ensure all staff are covered by such declarations. (We note that in order to improve the consistency and record of training and Policy Acceptance, a number of Councils are now using e-policy software and in this respect EEBC should consider the organisational efficiency benefits of such applications)

j) Similarly Councillors are required to sign a declaration of receipt and understanding of these policies and we found evidence that this is evidenced for newly appointed members. We could not verify a declaration for one of our sample who was a Councillor with longer service and in this respect further assurances are required to ensure all members are covered.

k) Clear procedures and controls have been prescribed in respect of data retention and these are available online through the LGA website and are referred to in the EEBC Information Assurance Policy. The guidance is categorised by the types of records that could be kept for each service to ensure compliance with Section 12 of the Lord Chancellor's Code of Practice on the management of records and to meet likely business needs. The guidance is put together by Kent County Council's Legal Services team (for the LGA). It describes how long records need to be kept before destruction or transfer to the archives. This guidance is routinely updated but can only be accessed through a secure login to the LGA website which is held by the Head of Legal Services. There is potential scope for a more accessible and easier reference document to be produced and made available to EEBC staff.

l) There is not currently an Information Asset Register and this absence weakens overall assurances that all data is identified controlled and securely maintained. Such a register would provide a single point of reference for recording all known data sets within the organisation. It would help to identify risk, duplication and an aid in ensuring compliance with regulatory obligations as well as good housekeeping when data, staff or services migrate.

m) Each individual is responsible for the security of any Laptop/portable device they use and policy requires that no sensitive or personal information relating to individuals is to be held on the hard disk of a portable device. Furthermore EEBC data is secured in a Citrix virtualised environment and is only held on central servers.

n) Routine IT back up cycles are in existence and recovery testing of back up media with the external continuity provider is normally undertaken on an annual basis. This provides assurance that data held can be successfully restored. We understand that this testing has not taken place however in the last 12 months and a management action has been agreed to progress this. In addition a management action has

been agreed to produce an ICT Disaster recovery plan which will provide a structured approach for responding to unplanned incidents that threaten the IT infrastructure and business continuity.

o) Our testing would indicate that relationships with all key partners satisfactorily consider information governance. In particular The Surrey Multi-Agency Information Sharing Protocol (MAISP) is an agreed set of principles about sharing personal or confidential information. This enables each organisation signed up to the protocol to understand the circumstances in which it should share information and what its responsibilities are. This protocol is agreed with key partners such as the Police, NHS, County Social Services, Community Groups and neighbouring Local Authorities. In order to communicate the requirements in the MAISP, a management action will ensure that reference to the Data Sharing Protocol will be included in the ICT Acceptable Use Policy with particular reference to the controls and checklist documents prescribed

p) This audit has also highlighted the absence of Information Governance incident log which would consistently record incidents, outcomes and how controls are improved going forward. As a result of early discussions in progressing our work a log was being created to coincide with the completion of this audit.

	Agreed Management Action	Management Comment	Manager Responsible
1	An Information Asset Register will be produced and maintained. This will provide a single point of reference for recording all known data sets within the organisation. It will help to identify risk, duplication and be an aid in ensuring compliance with regulatory obligations as well as good house-keeping when data, staff or services migrate.	1April 2016	Simon Young
2	Going forward a further sweep and refresh of HR files will be undertaken to ensure all staff are covered by ICT security and data protection declarations.	1April 2016	Simon Young
3	Going forward a further sweep and refresh of all Councillor records will be undertaken to ensure all Members are covered by ICT security and data protection declarations.	1April 2016	Simon Young
4	Access to the LGA document retention guidance will be made more easily accessible for all EEBC staff and/or reproduced in a format that can be more immediately referred to. On an annual basis the Data Protection Officer will send a reminder to all responsible officers to archive or destroy information in accordance with this guidance.	1April 2016	Simon Young
5	An Information Governance Incident Log will be maintained. Such a log will consistently record incidents, outcomes and how controls are improved going forward.	30 September 2015	Simon Young
6	The Data Protection Officer will formally request feedback from the Head of IT on an annual basis that security breaches have been recorded and investigated where appropriate and that system integrity has been maintained.	1 April 2016	Simon Young / M Lumley
7	All business critical systems will be tested and restored with the external provider on at least an annual basis.	1 April 2016	M Lumley
8	An ICT disaster recovery plan will be produced that will provides a structured approach for responding to unplanned incidents that threaten the IT infrastructure and business continuity. It will include hardware, software, networks, processes and people	1 April 2016	M Lumley
9	Reference to the data sharing protocol will be included in the ICT Acceptable Use Policy with particular reference to the controls and checklist documents prescribed.	1 April 2016	Simon Young

Assignment: PCI Compliance Control Framework (8.15/16)	Opinion:	Amber/red

Given the nature of the review and current Council PCI non-compliant status, the methodology focus was based on controls design.We identified a number of weaknesses in the design of the control framework that impact on PCI compliance, principally:

a) The Council has no clear view of who is responsible for the identified PCI actions to be implemented to ensure PCI compliance. There is a need for more formal roles and responsibilities.

b) The Council records inbound voice calls to assist with staff training and provide performance management and issue resolution. The calls are recorded using the VPI call recording system. We noted during the review of VPI the recording solution is not PCI compliant. This prohibits PCI accreditation.

c) No specific PCI training programme is in place. In addition, whilst the Council's security policy covers the Data Protection Act (1998), the policy does not highlight the importance of PCI information for users that process PCI data.

d) There is a current absence of a complete process to review and verified the PCI certification of the 3rd party vendors.

However, we did note the following:

e) The Council was quick to respond and amend the Action Plan with the new findings.

f) Although no formal PCI training was in place, there was no breach in handling of PCI data as a result of the informal training that was given.

g) The Action List the Council has drafted shows great effort in the remediation and understanding of PCI.

	Agreed Management Action	Management Comment	Manager Responsible
1	The Council will formalise training, policy and procedure and train and communicate them to the relevant staff and take a risk based approach to training staff who handle PCI data and formally have a training program implemented. (Medium)	30 September 2016	Lee Duffy, Head of Financial Services
2	Draft a Policy that relates specifically to PCI and communicate it to the required personnel. (Medium)	30 September 2016	Lee Duffy, Head of Financial Services
3	Draft a Scope and Policy Mapping Matrix that shows the PCI environment as well as the scope of the PCI environment. (Medium)	30 September 2016	Lee Duffy, Head of Financial Services
4	The Council should draft a PCI Data Flow Diagram. (Medium)	30 September 2016	Mark Lumley, Head of ICT
5	The Council will draft a 3rd party PCI compliance tracking sheet and track their PCI status annually. (Medium)	30 September 2016	Lee Duffy, Head of Financial Services
6	The Council has now enquired with Adelante to their current PCI status and take action accordingly and has received assurance from Adelante that they are PCI Compliant. (Medium)	11th November 2015	Mark Lumley, Head of ICT
7	The Council will ensure that the chosen call recording software that 'records' conversations in scope of PCI is PCI compliant. (High)	31 Match 2016	Mark Lumley, Head of ICT

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8	The Council will ensure that only authorised people have access to view the PCI data that is entered on the screen. The Council could add a privacy filter to the screen to block out the cameras view of the screen once the information on which screen has been provided by RSM. (High)	30 September 2016	Lee Duffy, Head of Financial Services
9	Identify roles and responsibilities that govern the PCI environment and communicate the responsibilities to everyone. (High)	31 March 2016	Kathryn Beldon, Director of Finance and Resources.

FOR FURTHER INFORMATION CONTACT

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RISK MANAGEMENT FRAMEWORK ANNUAL REPORT

Report of the:	Head of Corporate Risk
Contact:	Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annexe 1 – Flowchart of Risk Annexe 2 – Leadership Risk Register
Other available papers (not attached):	N/A

REPORT SUMMARY

This report provides an update on the Council's risk management arrangements and identifies key risks at corporate level and operational level.

RECOMMENDATIONS

That the Committee:

(1) Notes the improvements within the risk management arrangements;

Considers the key risks to the Council within the Leadership Risks and comments on the issues raised, and how they are managed.

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1 **Implications for the Council's Key Priorities, Service Plans and Community Strategy**

1.1 Good risk management is a key element of corporate governance and this underpins the achievement of all the Council's Key Priorities and Core Values for this period.

1.2 One of the Core Values for the Corporate Plan 2012 to 2016 is Value for Money and good risk management is key to ensuring that we use our time, money and other resources wisely to deliver services at an affordable cost.

2   Background

2.1   Since 2012, the Committee has received an annual report on the Council's risk management arrangements.   There are many elements within risk management, as well as operational and corporate risks. These include insurable risks, integrated emergency management and business continuity, partnership risks and health and safety risks.

2.2   Operational and corporate risks are linked as the Council maintains a Leadership Risk Register, a Service Risk Register, and a Partnership Risk Register. The insurable risks are reported in an annual updated to the Strategy & Resources Committee. To assist the Committee, an overview of the Council's Risk Management Framework is provided at Annexe 1.

2.3   Some risks will always exist and they will never be eliminated due to the Council's statutory obligations, however we must manage those risks and take action where appropriate. The Corporate Governance Group has encompassed the Corporate Risk Group and this will oversee the risk management arrangements and review key projects, training requirements and review the service and leadership risks.

2.4   Internal Audit reviewed the Council's risk management arrangements in March 2015, providing a Green opinion as the Council has strengthened its arrangements. They reported that **"following the work undertaken in 2014, they identified work done to strengthen risk management aligning the risks captured. Corporate governance and risk management has been integrated as service risks are compiled from the Divisional Assurance Statements."**

2.5   The auditors recommended that further work can be done to align all key governance and this will form part of setting the new Corporate Plan.

3   Key Risks

Leadership Risk Register

3.1   The Leadership Risks are essentially the top ten risks at senior leadership level. These risks are refreshed at least twice yearly. The Leadership Risk Register is attached as Annexe 2. It was last reviewed by the Corporate Governance Team in October and by the Leadership Team in November. The Top Ten Leadership Risks are as follows:-

3.2

L1	Failure to achieve service cost reductions and efficiencies.	**Medium**
L2	Lack of Procurement, Project Management and Contract Management skills in order to implement key projects	**High**
L3	Review of workforce including skills and resilience and the use of Agency staff within services.	**High**

L4	Failure to take opportunities for transformational change and IT related changes and corporate projects.	High
L5	IT systems – Resilience and efficient running of network and applications.	Medium
L6	Data Protection and Information Governance – compliance with legislation and best practice	High
L7	Property and Asset Management – The lack of available funding to maintain the Council's assets due to reductions in revenue and the capital programme.	High
L8	Partnership and joint working arrangements including Town Centre Improvements (Public Realm), Kiln Lane Link Road, Hollymoor Lane Development, Upper High Street Development.	Medium
L9	Embedding the new senior management arrangements and ensure governance arrangements are in place to deliver services.	High
L10	Delivering Affordable Housing and managing homelessness.	Medium

National Risks for Local Authorities

3.3   Alarm (The Public Risk Management Association) produced a paper in July 2015 identifying the Top Three Risks faced by local government; these were

- Financial Management

- Organisational Transformation and the pace of change

- Welfare Reform and the integration of health and social care.

3.4   The Committee is asked to consider the key risks that are nationally affecting local government with those within the Council's Leadership Risk Register identified in Annexe 2.

Service Risks

3.5   The Service Risks are obtained from the Divisional Assurance Statements. A total of 86 Service Risks were identified, of which 27 were high risks, 49 medium risks and 10 low risks. All High Risks are allocated a risk owner and an action to address the risk.

3.6   The high risks identified in 2014 were also reviewed to ensure either action has been taken or the risk has been highlighted within the 2015 risks by the relevant Head of Service. The Leadership Team has reviewed the Service Risks.

3.7   A summary of some of the key high risk areas identified by the Heads of Service are:

3.7.1   Further cuts in central funding and ability to deliver savings within the new Medium Term Financial Strategy.

3.7.2   Lack of staffing resources and ability to deliver effective services and large projects.

3.7.3   Weakness in formal procedures for procurement, contract management and project management.

3.7.4   Increased reliance on bed and breakfasts for homeless.

3.8   Some of these service risks are picked up within the Leadership Risk Register although there is a clear difference between operational and strategic issues.

Emergency Planning and Business Continuity

3.9   The Council has adopted the Surrey Community Risk Register as the Council's community risk register and arrangements for supporting vulnerable people during an emergency.

3.10   The Council held a recent successful exercise to establish a Borough Emergency Command Centre. This was based on a flooding scenario and a number of officers were involved to strengthen and extend involvement should the Council have a prolonged emergency such as occurred in winter 2013/14

4   **Financial and Manpower implications**

4.1   There are no specific financial or manpower implications for the purpose of this report.

4.2   Officers are taking a pragmatic approach to ensure that the process does not become unduly bureaucratic, whilst ensuring that reasonable changes are considered where appropriate.

4.3   *Chief Finance Officer's comments:* None for the purposes of this report.

5   **Legal Implications (including implications for matters relating to equality)**

5.1   The Council must publish an Annual Governance Statement, one of its core principles is a requirement to demonstrate how the Council manages risk and ensures that a system of controls exist to mitigate the risks that affect the achievement of the Council's objectives.

5.2   ***Monitoring Officer's comments:*** A number of the risks identified involve potential legal risks and it is important that the actions identified to mitigate the risks are taken.

6   Sustainability Policy and Community Safety Implications

6.1   There are no particular community safety implications for the purpose of this report.

7   Partnerships

7.1   The Council will work with Internal Auditors to improve risk management arrangements.

7.2   The Council is working with the London Borough of Sutton to handle insurable risks and improve operational risk management such as inspection regimes, and record keeping.

8   Risk Assessment

8.1   Good risk management will help to ensure that the Council achieves its objectives and will minimise loss and damage which will have a positive effect on the Borough.

8.2   The Council's risk management arrangements are an integral part of the governance arrangements. Failure to enhance the risk management arrangements may impact on the Council's Annual Governance Statement or Council may fail to mitigate risks correctly.

9   Conclusion and Recommendations
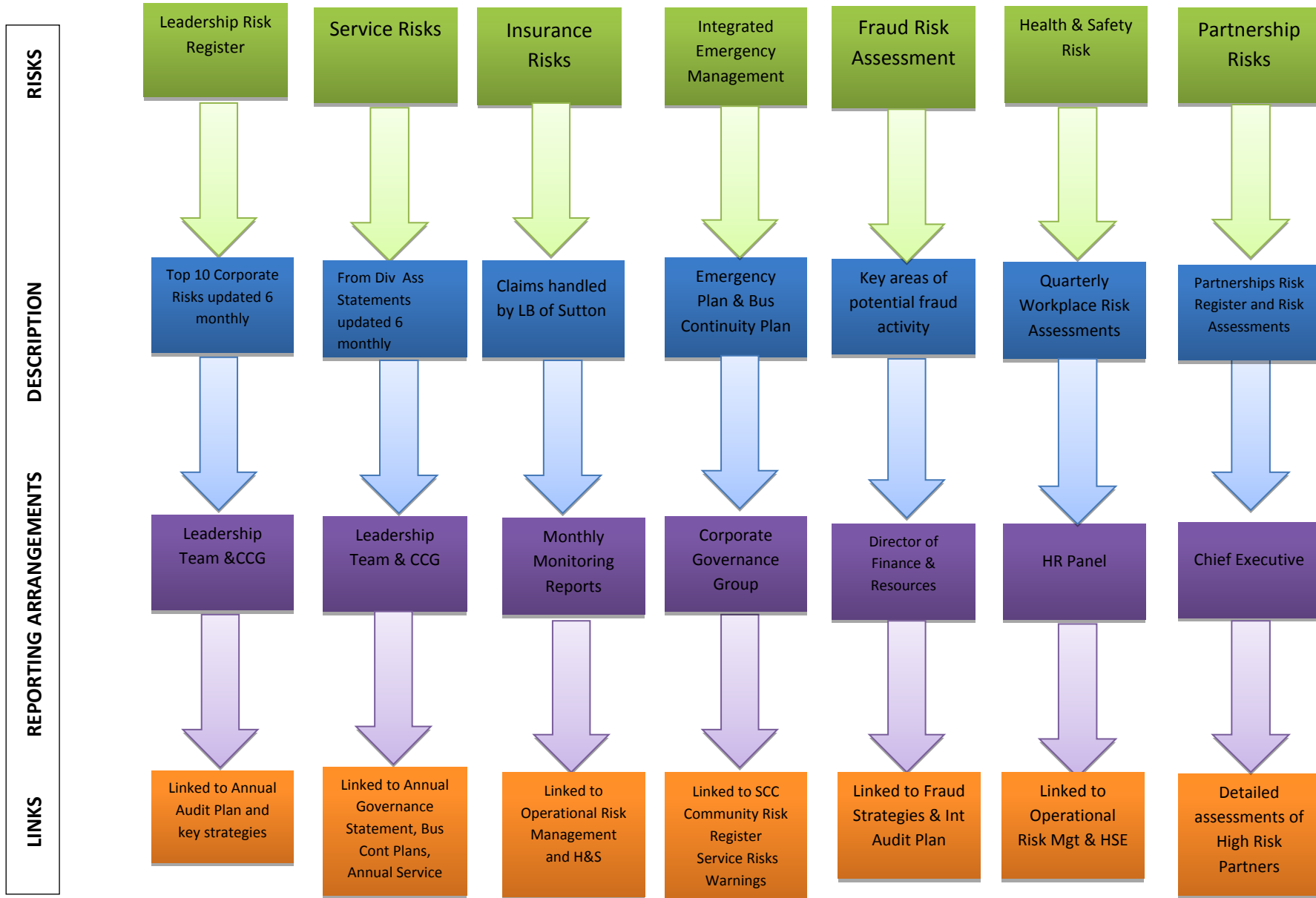
9.1   The Risk Management Framework ensures the Leadership Team manage key risks.

9.2   Council risk management arrangements have been improved and strengthened.

9.3   The Committee is asked to:

9.3.1 Note the improvements within the risk management arrangements;

9.3.2 Consider the Leadership Risks and comment on the issues raised.

WARD(S) AFFECTED: All

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Risk Management Flowchart

RISKS	DESCRIPTION	REPORTING ARRANGEMENTS	LINKS
Leadership Risk Register	Top 10 Corporate Risks updated 6 monthly	Leadership Team &CCG	Linked to Annual Audit Plan and key strategies
Service Risks	From Div Ass Statements updated 6 monthly	Leadership Team & CCG	Linked to Annual Governance Statement, Bus Cont Plans, Annual Service
Insurance Risks	Claims handled by LB of Sutton	Monthly Monitoring Reports	Linked to Operational Risk Management and H&S
Integrated Emergency Management	Emergency Plan & Bus Continuity Plan	Corporate Governance Group	Linked to SCC Community Risk Register Service Risks Warnings
Fraud Risk Assessment	Key areas of potential fraud activity	Director of Finance & Resources	Linked to Fraud Strategies & Int Audit Plan
Health & Safety Risk	Quarterly Workplace Risk Assessments	HR Panel	Linked to Operational Risk Mgt & HSE
Partnership Risks	Partnerships Risk Register and Risk Assessments	Chief Executive	Detailed assessments of High Risk Partners

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Ref	Description of Risk/ Opportunity	Risk Level	Further Action required	Resp Officer	Resp Member/ Committee	Cross Ref to Annual Service Plans	Direction of Travel
L1	Failure to achieve service cost reductions and efficiencies	Medium	The MTFS and Financial Plan are to be updated for 2016 – 2020 reflecting the new Corporate Plan To deliver the required year on year savings. The Cost Reduction Plan will identify savings.	Director of Finance & Resources	S&R	MR4 – Implement cost savings	No change

LEADERSHIP RISK REGISTER

Ref	Description of Risk/ Opportunity	Risk Level	Further Action required	Resp Officer	Resp Member/ Committee	Cross Ref to Annual Service Plans	Direction of Travel
NEW L2	Lack of Procurement, Project Management and Contract Management skills in order to implement key projects	High	A Procurement health check has been completed to identify gaps and Procurement Group established. Compliance with the Transparency Agenda. Action Plan will be developed from Contract Management & Project Mgt Reviews. Procurement awareness training. Implement actions from post implementation review of CRM.	Procurement Group	S&R	MR3 Further reducing waste and improving efficiency	NEW COMBINED RISK (previous L2 and L7 focusing on delivering projects)

Ref	Description of Risk/ Opportunity	Risk Level	Further Action required	Resp Officer	Resp Member/ Committee	Cross Ref to Annual Service Plans	Direction of Travel
L3	Review of workforce including skills and resilience and the use of Agency staff within services.	High	Ongoing review of workforce planning and reviewing staff needs. The process is underway to select a provider of agency staff from the MSTAR framework	Leadership Team and Head of HR & Occ Dev. Working Party	HR Panel	MR 7 – Directing resources towards delivery of objectives Approve a new HR Strategy 2012-2016. New Pay Strategy Consultation with staff and managers	No change
L4	Failure to take opportunities for transformational change .and IT related changes and corporate projects.	High	Review of existing IT structure exploring options such as shared services. BPR Team reviewing key areas. Service Reviews as part of MTFS.	Leadership Team	Council	MR2 Implement CRM. MR6 - £1.5M savings over 3 years and cost reduction plan.	No change

Ref	Description of Risk/ Opportunity	Risk Level	Further Action required	Resp Officer	Resp Member/ Committee	Cross Ref to Annual Service Plans	Direction of Travel
L5	IT systems – Resilience and efficient running of network and applications .	Medium	Internal Audit have reviewed PCI compliance and a range of actions ned to be implemented. Internal Audit to complete a review. ICT health check and a review of future service delivery being undertaken.	Head of ICT	S&R	MR6 - Seeking to generate savings of at least £1.5 million over the next three years.	No change
L6	Data Protection and Information Governance – compliance with legislation and best practice	High	The Corporate Governance Group are monitoring progress in delivering outstanding actions Mandatory Training has been rolled out to all staff. Egress now provides protective marking on all emails	Head of Legal and Head of ICT	S&R		No change

Ref	Description of Risk/ Opportunity	Risk Level	Further Action required	Resp Officer	Resp Member/ Committee	Cross Ref to Annual Service Plans	Direction of Travel
L7	Property and Asset Management – The lack of available funding to maintain the Council's assets due to reductions in revenue and the capital programme . .	High	Review necessary contributions to R& R Funds to support replacement costs Receipts from future sales to provide capital. Backlog maintenance programme priorities reviewed Property Group has been established to provide focus in obtaining best output from assets	Property Group	Statutory Officer Group & S&R	MR3 Further reducing waste and improving efficiency. MR4 Maximising revenues generated by and minimising costs associated with all Council assets and activities.	NEW RISK REPLACING PREVIOUS L7 (delivering key projects)

Ref	Description of Risk/ Opportunity	Risk Level	Further Action required	Resp Officer	Resp Member/ Committee	Cross Ref to Annual Service Plans	Direction of Travel
L8	Partnership and Joint Working Arrangements - Town Centre Improvements (Public Realm) Kiln Lane Link Road Hollymoor Lane Development Upper High Street Development -	Medium	Update Partnership Action Plan Project Groups and Working Groups with clear outcomes to deliver	Director of Finance & Resources	S&R	QL 4 - Work with SCC, The Police and other partners on Youth Prevention supporting SCC's overall approach and objectives/ targets. MR5 – prepare a business case for extending the scope and benefits of ICT joint working. SS3- work with partners	No change

Ref	Description of Risk/ Opportunity	Risk Level	Further Action required	Resp Officer	Resp Member/ Committee	Cross Ref to Annual Service Plans	Direction of Travel
L9	Embedding the new senior management arrangements and ensure governance arrangements are in place to deliver services.	High	Empowering the Leadership Team with the correct skills and training. Arrangements will be reviewed in 2016/17	Leadership Team & Statutory Officers Group	Council	MR3 Further reducing waste and improving efficiency. MR4 Maximising revenues generated by and minimising costs associated with all Council assets and activities.	New wording

Ref	Description of Risk/ Opportunity	Risk Level	Further Action required	Resp Officer	Resp Member/ Committee	Cross Ref to Annual Service Plans	Direction of Travel
L10	Delivering Affordable Housing and managing homelessness	Medium	Homelessness Costs are closely monitored and reported to Board. A working group has been established to provide solutions including the provision of additional TA units and a new Housing Allocations Policy	Housing Project Team & Director of Finance & Resources	S&R	EV2 -Working with others to create an environment conducive to economic development and entrepreneurship in the Borough. QL6 Looking for ways to reduce the use of temporary homeless accommodation- QL5 Working with others to encourage an improved availability of affordable housing	No change

Defined Strategic Risk Levels

	Low	Medium	High
Impact of risk materialising			
Finance –	Budget pressures < £100,000	Budget pressures between £100,000 and £200,000	Budget pressures > £200,000
Reputation	Loss of confidence and trust in the council felt by a small group or within a small geographical area	A limited loss of confidence and trust in the council within the local community	A major loss of confidence and trust in the council within the local community and wider with national interest
Service delivery	Disruption to a council service	Some disruption to more than one service across the council or severe disruption to one service	Severe wide spread disruption to services across the council
Health and Safety	Minor injury or illness requiring minimal intervention or treatment	Moderate injury or illness requiring professional intervention / multiple minor injuries	Extensive and multiple injuries including possible loss of life
Likelihood of risk materialising	Remote / low probability	Possible / medium probability	Almost certain / highly probably

The above is not a prescriptive criteria, but a guidance tool for management.

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PERFORMANCE MANAGEMENT 2015/16: PROGRESS REPORT ONE

Report of the: Chief Executive

Contact: Adama Roberts/Margaret Jones

Urgent Decision?(yes/no)   No

If yes, reason urgent decision
required:

Annexes/Appendices (attached):   Annexe 1 - Progress Report One 2015/16
                                            prepared for the Audit, Crime & Disorder and
                                            Scrutiny Committee

Other available papers (not
attached):

REPORT SUMMARY

**This report presents the Committee with the first Performance Management
Progress report for 2015/16, providing an overview of progress made against the
policy committees' actions and highlighting those actions recorded as 'not met'.**

	Notes
RECOMMENDATION (S) **That the Committee:** **(1) Receives Performance Management Progress Report One, 2015/16** **(2) Identifies any issues requiring action.**	

**1   Implications for the Council's Key Priorities, Service Plans and Sustainable
     Community Strategy**

    1.1   In December 2011 the Council adopted the new Corporate Plan for 2012/16.
        The Plan identifies the Council's Key Priorities and Core Values for the four
        year period.

    1.2   As part of the service planning process to support delivery of the Council's
        Corporate Plan, actions have been agreed under the service plans for
        2015/16.

1.3   Owing to the volatile nature of the economic climate, it has been agreed that actions would be reviewed and set annually rather than for a period of four years. This was deemed more productive because changes and decisions around actions set in the Service Plans could be taken promptly, in line with changing economic times.

2   Background

2.1   This report presents the Audit, Crime and Disorder and Scrutiny Committee with an extract from Performance Management Progress Report One 2015/16 (attached as Annexe 1). It highlights the percentage of actions that have been classified as 'Achieved', 'On Target' or 'Not Met' as at August 2015. (A key to the reporting classifications is set out at the Annexe 1). It provides particular detail on those actions classified as 'Not Met'.

3   Update on Performance as at August 2015

3.1   Thirty six actions are being monitored during 2015/16. As at August 2015, 5 actions have been achieved (14%), 24 actions are on target (69%) and 6 actions (17%) have not been met, 1 action had no recorded data due to faulty meters (to reduce gas consumption to 2.5m KWHs).   The Annexe shows how this information breaks down across four of the policy committees (Environment, Leisure, Social and Strategy & Resources, Committees).

3.2   Details on each of the 6 actions recorded as 'not met' are included at the annexe. Of the 6 actions which have been classified as 'not met' as at August 2015, 2 have been rolled forward from 2014/15, EV4 - Planning application submitted and determined for new retail store and housing on Depot Road and Upper High Street, and S4 - Complete installation of barrier controlled car park pay systems.

4   Financial and Manpower Implications

4.1   Actions identified for 2015/16, at the time of agreeing the actions, were considered to be achievable within agreed budgets, including the reduced staffing budget.

4.2   *Chief Finance Officer's comments:* None for the purposes of this report.

5   Legal Implications (including implications for matters relating to equality)

5.1   There is the opportunity through the development and delivery of this Service Plan to secure significant benefits for residents.

5.2   *Monitoring Officer's comments:* Good governance requires that the Council's performance against identified key priorities is measured appropriately.

6   Sustainability Policy and Community Safety Implications

6.1   Delivery of Year 4 of the Service Plan will assist the Council to create sustainable communities.

6.2   There are no particular community safety implications for the purpose of this report.

7   Partnerships

7.1   There are no particular partnership implications for the purpose of this report.

8   Risk Assessment

8.1   The creation of a Performance Management Framework mitigates against loss of focus and assists the organisation in ensuring that it has the financial capacity to deliver its objectives.
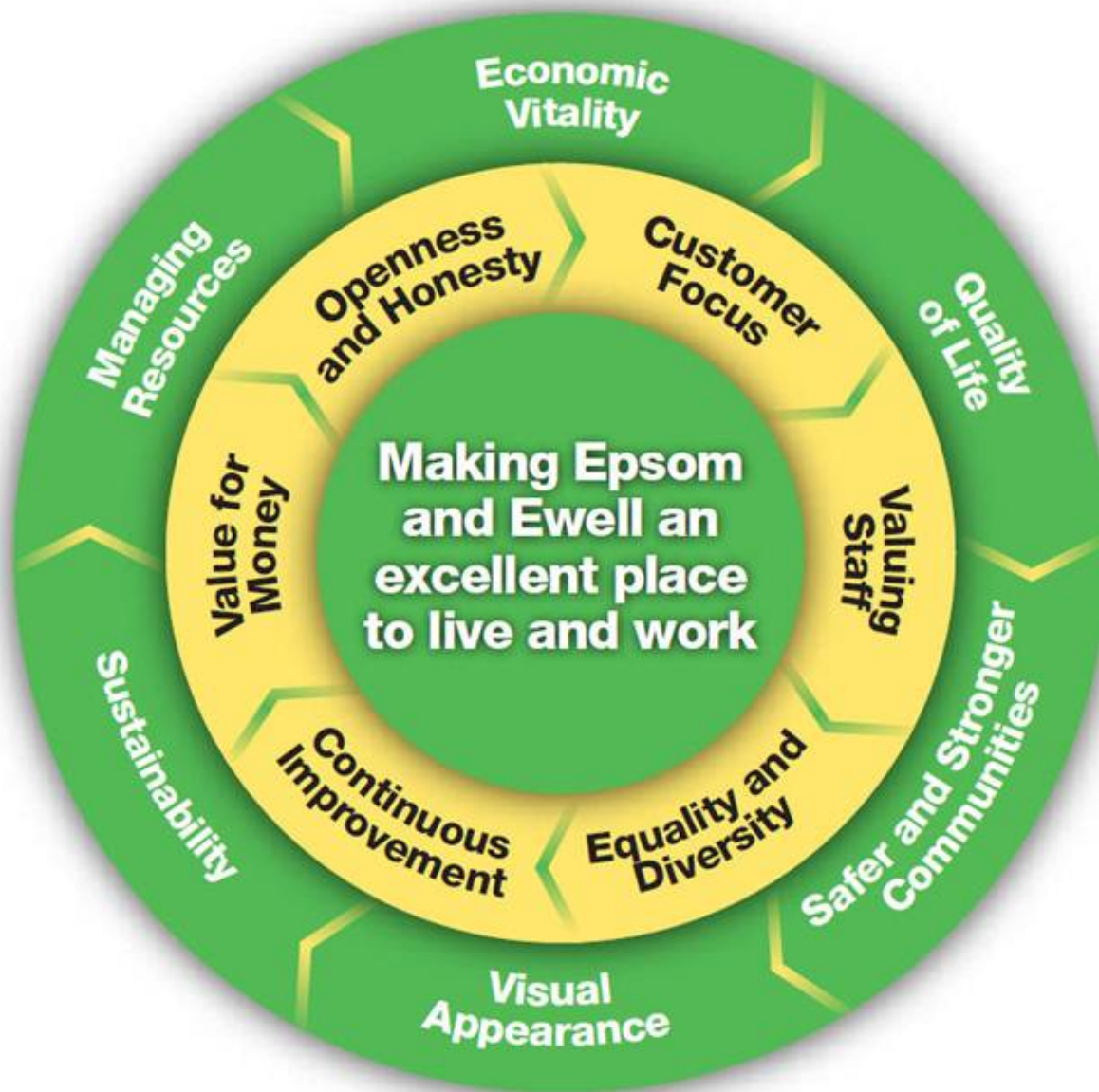
9   Conclusion and Recommendations

9.1   The implementation of a robust performance monitoring and management system is essential to ensure that the Committees' Service Plans, and ultimately the Council's Key Priorities, are delivered or any variances explained and decisions over future action made.

<u>WARD(S) AFFECTED</u>: All

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Making Epsom and Ewell an excellent place to live and work

Economic Vitality · Quality of Life · Safer and Stronger Communities · Visual Appearance · Sustainability · Managing Resources

Openness and Honesty · Customer Focus · Valuing Staff · Equality and Diversity · Continuous Improvement · Value for Money

Progress Report One

Prepared Audit, Crime & Disorder and Scrutiny Committee – September 2015

Key to Reporting Progress

Monitoring of Key Service Priorities, as set out in the Annual Service Plans for 2015/16

Progress against Key Service Priorities at year end, is monitored by:

|	
Achieved 👍	An action is achieved once all objectives specified have been completed.
On Target 👉	An action is on target at the time of reporting the progress if it's likely to be completed by year end. Actions that are reported as on target are closely monitored and evaluated throughout various performance phases to ensure they continue to be achievable by year end.
	Measures have been implemented to ensure Responsible Officers (ROs) promptly advise the Consultation & Communication team of any change/s that is/are likely to impact on an action being achieved. This is then fed back to CMB and responsible committees.
	A risk analysis section has been introduced, for the first time in our performance reporting to pre-empt and facilitate the achieving of actions set within a given financial year. This enhances the review process embedded within our performance monitoring, because all actions that are reported as on target or not met have to be rigorously evaluated at each performance management phase - with further actions outlined to facilitate their achievement.
Not Met 👎	An action is reported as not met if it's likely to be unachievable at year end. The chances of achieving these actions within the reporting period are slim.
	All actions are continuously evaluated and where issues may occur, automatically highlighted to alert CMB and responsible committees in order to facilitate a prompt decision making process. This process usually involves the ROs, CMB and responsible committees.
	However, for Data Quality purposes, committees have the final say as to whether an action will be deleted/deferred/tweaked or replaced with a new one depending on the evidence given by ROs or CMB.

Overall Picture as at August 2015/16
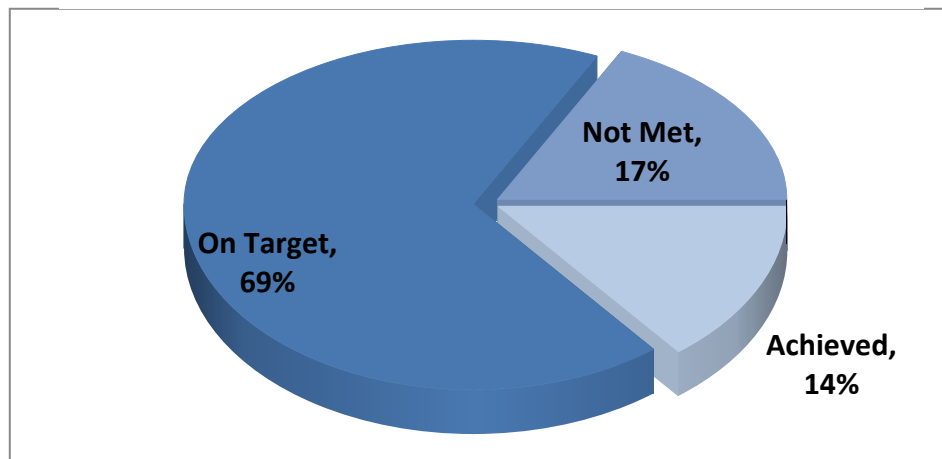
Please Note: In total there are 36 **actions** being monitored for the period 2015/16 against the **six key priorities** as set out in our Corporate Plan 2012/16.

- **Progress Report One:**
  Five (5) actions were 'Achieved', 24 were 'On Target', six (6) are 'Not Met', and one (1) 'No Data'.

The report includes **progressive updates** for all actions set for 2015/16 and have **been aligned with the committee meeting cycle** enabling the reporting of information that is **as up to date as possible**.

The new reporting format also gives Responsible Officers **the opportunity to spot and act promptly** to ensure actions set for 2015/16 are achieved and if they cannot be achieved, it enables them to take necessary actions via a joint decision making process **with the Corporate Management Board (CMB) and relevant committees.**

*A **risk analysis section** has been incorporated in the Performance Management Framework as **per audit and CMB recommendations**. It facilitates the pre-empting and reviewing of any issues that may **prevent an action from being achieved** within a specific timeframe.

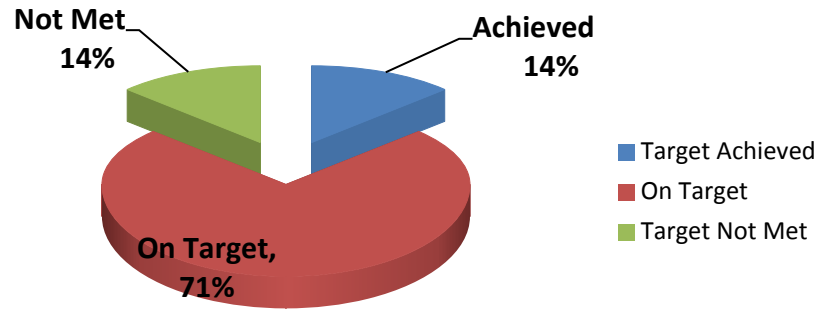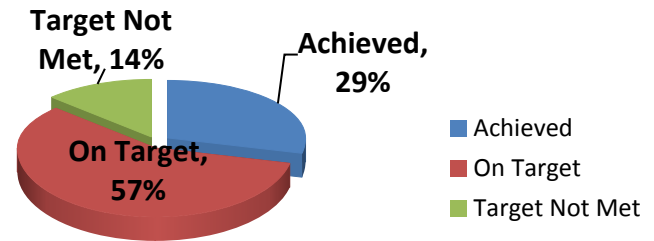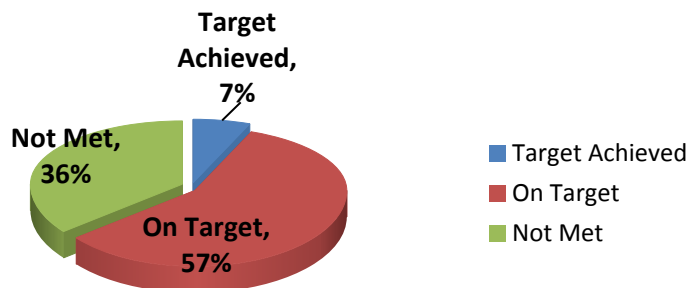| Achieved Actions |
| --- |
| **Progress Report One:**
• Review and update Cost Reduction Plan and include year two savings in 2014/15 budget, MR3
• To increase the number of businesses that recycle in accordance with the plan (Rolled Forward from 2014/2015), S1
• Deliver the Surrey Youth Games, QL2
• Subject to successful funding bids, deliver the agreed seven QEII funded capital projects in each of the Borough's seven QEII fields (Rolled Forward from 2014/2015), QL2
• Bring 5 empty homes back into use, QL6 |
| **Rolled Forward Actions from 2014/15:**
• Planning application submitted and determined for new retail store and housing on Depot Road and Upper High Street, EV4
• To increase the number of businesses that recycle in accordance with the plan, S1
• Complete installation of barrier controlled car park pay systems, S4
• Subject to successful funding bids, deliver the agreed seven QEII funded capital projects in each of the Borough's seven QEII fields, QL2 |
| **Deferred Actions:**
• Undertake refurbishment at Horton Chapel, SS3 PR1. Deferred to 2015/16
Note: This action was deferred as a result of the Decisions Notice of Strategy & Resources Committee issued on 23 September 2014. |

Summary of Environment Committee as at August

Environment Committee, as at August, has **7** actions for the financial year 2015/2016. **1** Achieved, **5** On Target and **1** Not Met.

Summary of Leisure Committee as at August 2014

Leisure Committee, as at August, has **7** actions for the financial year 2015/2016. **2** Achieved, **4** On Target and **1** Not Met.

Summary of Strategy & Resources Committee as at August

Strategy & Resources Committee, as at August, has **15** actions for the financial year 2015/2016. **1** Achieved, **8** On Target, **5** Not Met, and **1** 'No Data'.

Summary of Social Committee as at August
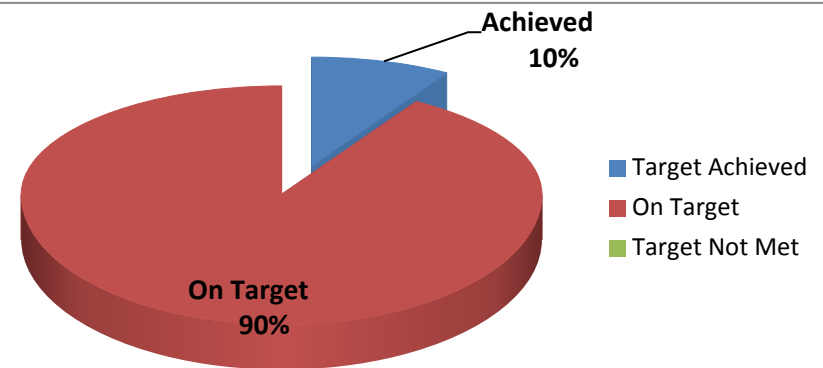
Social Committee, as at August, has **10** actions for the financial year 2015/2016. **1** Achieved, **9** On Target and **0** Not Met.

KP Code	Our objective is ….	Responsible Committee	Responsible Officer	Action 2015/16	Progress as at August	Action Status
	ECONOMIC VITALITY: Promote the economic vitality of Epsom & Ewell					
EV4	Making progress in delivering Plan 'E' (which provides a detailed vision for the future of Epsom Town Centre over the next 15 to 20 years)	Strategy & Resources	Mark Berry	• Planning application submitted and determined for new retail store and housing on Depot Road and Upper High Street **(Rolled Forward from 2014/2015)** • Subject to approval new retail store and housing in place on Depot Road and Upper High Street	Negotiations with landowner/development partner were put on hold in February/March. Since that time there has been no further contact in respect of this transaction, and it is understood that they no longer wish to proceed with the proposed scheme.	Not Met 👎

	Significant Annual Service Plan Risk							
KP Code	**Action 2015/16**	**Risk Identified**	**Risk Owner**	**Inherent Risk**		**Mitigation**	**Further Action Required**	**Implementation Date**
				Probability	**Impact**			
EV4	• Planning application submitted and determined for new retail store and housing on Depot Road and Upper High Street **(Rolled Forward from 2014/2015)** • Subject to approval new retail store and housing in place on Depot Road and Upper High Street	Lack of buy-in from partners Impact of the current economic climate	Mark Berry	H	M	Engage with partners to ensure projects are delivered on time	Continue to engage with landowners and development partners to ensure that policy compliant proposals come forward during the phasing timetable identified within the local plan.	31/03/16

	MANAGING RESOURCES: Utilise the Council's limited resources in the most efficient way					
KP Code	**Our objective is ….**	**Responsible Committee**	**Responsible Officer**	**Action 2015/16**	**Progress as at August**	**Action Status**
MR2	Continuing to ensure all our activities are customer focused and provide good value for money	Strategy & Resources	Joy Stevens	Implement service changes agreed	No further service changes being implemented due to current freeze on CRM development. **Note**: action recommended for deletion due to lack of resources. Where relevant service changes have already taken place as part of the implementation of the new CRM.	Not Met 👎
MR4	Maximising revenues generated by and minimising costs associated with all Council assets and activities	Leisure/ Strategy & Resources	Andrew Lunt	Implement changes to deliver venues subsidy targets	Top level options for further reducing the venues division subsidy have been identified and these will continue to be worked through in the coming months.	Not Met 👎

**Significant Annual Service Plan Risk**
KP Code	**Action 2015/16**	**Risk Identified**	**Risk Owner**	**Inherent Risk**	**Mitigation**	**Further Action Required**	**Implementation Date**
				Probability	**Impact**			
MR2	Implement service changes agreed	Customer Services & ICT staff time	Joy Stevens	M	M	Identify and implement achievable measures	No further service changes being implemented due to current freeze on CRM development. The recommendation is for S&R to delete this action due to lack of resources	30/09/15
MR4	Implement changes to deliver venues subsidy targets	Poor market conditions Unable to meet income targets Unable to meet cost reduction targets	Andrew Lunt	H	H	Service review Business Planning Budget Monitoring	A full service review of the venues division is planned for the near future.	2015/16

SUSTAINABILITY: Encourage energy efficiency, reduced waste and cleaner forms of transport

KP Co de	Our objective is ….	Responsible Committee	Responsible Officer	Action 2015/16	Progress as at August	Action Status
S2	Further reducing the environmental impact of Council operations	Strategy & Resources	Doug Earle / Nigel Campbell	To reduce gas consumption to 2.5m KWHs	No Data for gas consumption due to faulty recording meters. An order to purchase new meters has been placed and currently waiting delivery.	NO DATA

To reduce gas consumption to 2.5m KWHs

Some of the gas meters have not recorded energy usage and others have stopped working. After comparing a number of smart meter companies we have ordered eight new smart meters to replace the defective ones. This will allow us to monitor our own and tenanted properties energy usage.

Being able to monitor the consumption of energy at any one time is fundamental to saving energy. They enable us to see problems as they arise and not many months later. This year we have been able to identify a number of water leaks, an increase in electrical energy at a tenants premise at the Ebbisham centre etc. Smart meters will also help us establish benchmarks which will help when we advise on energy usage and behavioural changes. Seeing instantly what we are using in energy is a great persuading tool, encouraging the user to turn off that light, remove that box blocking the radiator or turn off that dripping tap.

Having smart meters installed has enabled us to see the reduction of energy used in most Council buildings including the tenanted sections. Having a view of our historic usage will enable us to set new targets for the future. The government is encouraging all households and companies to switch to smart metering before 2020 to reduce carbon emissions and help reduce need for fossils fuels further.

	SUSTAINABILITY: Encourage energy efficiency, reduced waste and cleaner forms of transport					
KP Co de	**Our objective is ….**	**Responsible Committee**	**Responsible Officer**	**Action 2015/16**	**Progress as at August**	**Action Status**
S2	Further reducing the environmental impact of Council operations	Strategy & Resources	Doug Earle / Nigel Campbell	To reduce mains water use in line with agreed targets	The Senior Building Surveyor and his team continue to monitor water via the data loggers, there are 4 data loggers that require some maintenance due to lost connections, ariel misplacement, or faults. These are being addressed with the suppliers and we continue to use their service to compile data via dashboards and internet connections. As the meters and loggers are underground this does at times lead to lost signals or faults. The areas identified are being addressed on an individual basis and they include: • Longmead Social centre – this is currently with Thames water to rectify • H.C.P troughs – in process of being isolated • Town Hall – leaking meter has been changed. Once a fault or leak is established the team endeavour to rectify them within minimum time to reduce water wastage.	Not Met
S4	Developing and influencing parking and transport strategies to minimise the anti-social effects of vehicle use	2012/13 Rolled Forward Action / Environment	Joy Stevens (from 1 April 2015)	Complete installation of barrier controlled car park pay systems **(Rolled Forward from 2014/2015)**	Revised installation date of Quarter 3 due to additional equipment delivery timescales and delays in software upgrade installation.	Not Met

Significant Annual Service Plan Risk

KP Code	Action 2015/16	Risk Identified	Risk Owner	Inherent Risk		Mitigation	Further Action Required	Implementation Date
				Probability	Impact			
S2	To reduce gas consumption to 2.5m KWHs	Agreed investments not implemented Adverse weather conditions	Doug Earle / Nigel Campbell	M	M	Robust arrangements in place to ensure implementation	Order new meres	31/12/15
S2	To reduce mains water use in line with agreed targets	Agreed investments not implemented	Doug Earle / Nigel Campbell	M	M	Robust arrangements in place to ensure implementation	Secure funding to rectify leakages	31/03/16
S4	Complete installation of barrier controlled car park pay systems **(Rolled Forward from 2014/2015)**	Inability to increase numbers	Joy Stevens	M	M	Engage and communicate with businesses to increase numbers	See above for barrier control	31/03/16

SAFER AND STRONGER COMMUNITIES: Promote safer, more active and caring communities

KP Code	Our objective is ….	Responsible Committee	Responsible Officer	Action 2015/16	Progress as at August	Action Status
SS2/3	Encouraging greater community involvement across the Borough Enabling stronger communities in areas of identified needs such as Town, Court and Ruxley wards	Strategy & Resources	Simon Young	Undertake refurbishment at Horton Chapel **Note**: This action was deferred to 2015/16 as a result of the Decisions Notice of Strategy & Resources Committee issued on 23 September 2014. Chapel functioning as community centre	At S&R June 2015 meeting, Horton Chapel was listed under one of its outstanding references. Therefore a previous commitment was given to keeping members informed of progress via Members Briefing. The Committee also received an update at its meeting in September and June. A date is yet to be confirmed but a report is likely to go to S&R with more details regarding the progress of Horton Chapel.	Not Met 👎

**Significant Annual Service Plan Risk**

KP Code	Action 2015/16	Risk Identified	Risk Owner	Inherent Risk		Mitigation	Further Action Required	Implementation Date
				Probability	Impact			
SS2/3	Undertake refurbishment at Horton Chapel **Note**: This action was deferred to 2015/16 as a result of the Decisions Notice of Strategy & Resources Committee issued on 23 September 2014. Chapel functioning as community centre	Failure to appoint Trustee Failure to complete project	Simon Young	H	H	Engage with communities Engage with relevant stakeholders to ensure project is completed	Keep members updated about progress via Members Briefing. Confirm dates for report on Horton Chapel to S&R Committee	31/03/14

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DATA QUALITY REPORT: PROGRESS AGAINST ACTION PLAN

Report of the: Chief Executive

Contact: Adama Roberts

Annexes/Appendices (attached):   Annexe 1 - Progress against Data Quality
                                                         Action Plan 2015-2016

Other available papers (not   N/A
attached):

REPORT SUMMARY

This report sets out progress against the actions outlined in the Council's Data Quality Strategy 2012 to 2016 and asks the Committee to identify any issues it considers require additional action.

	Notes
RECOMMENDATION (S) **(1) That the Committee notes the progress made in implementing the Data Quality Action Plan for 2015/16;** **(2) Identifies any issues which it considers require additional action.**	

1 **Background to Data Quality**

    1.1 Data Quality is an underpinning requirement and enabler of the Council's ability to use data, whether for performance management of the organisation, or for designing services which give residents in our community what they want. The authority collects and reports upon a range of data which needs to be calculated accurately. This includes the performance indicator data contained within the Corporate Plan, Single Data List Indicators (SDLIs), Progress Reports and Monthly Performance Indicators, all of which can guide decisions, inform strategies and ultimately improve service delivery. This policy also encompasses all other external returns under the SDLIs. The Council's strategy is to ensure that data is managed to the highest quality.

    1.2 The quality of the Council's data is crucial for decision making and for assessing Council effectiveness. Decisions must be made on correct data and therefore policies and strategies for ensuring data quality as well as governance and leadership are essential.

1.3   Inspection bodies such as Public Sector Audit Appointments Limited (this inspection body replaced the Audit Commission as of March 2015) require assurance that performance information is accurate. The higher the number of amendments and reservations that are received regarding the accuracy of data following external inspection / scrutiny, the lower the confidence that inspectors, government and interested parties will have in the performance information that is provided. This results in increased and more detailed inspection.

1.4   The Council recognises the importance and need for data to be reliable, accurate and timely to ensure effective performance information with which to manage services, inform service users and account for performance. The Council is committed to ensuring that the highest standards of data quality are maintained and that as a result it gets its performance information "right first time."

1.5   Data quality is embedded in the Council's Risk Registers, through the Corporate Risk Register.

1.6   The Council first developed a Data Quality Strategy in 2006 in response to the requirements by central government and the Audit Commission. This strategy was further updated in 2008 and more recently in 2011 to tie in with the Corporate Plan and to cover the period 2012 to 2016. The Data Quality Strategy 2012 to 2016 detailed Year 4 of its supporting Action Plan.

1.7   The Audit, Crime and Disorder and Scrutiny Committee has been nominated by the Strategy and Resources Committee to review the implementation of the Data Quality Strategy 2012-2016 and a report detailing progress was last received at the meeting of the Committee in November 2014.

2   Progress as at October 2015

2.1   Annexe 1 to this report provides progress against the Data Quality Action Plan 2015-16. Of the ten actions monitored for 2015/16, one (1) has been achieved and nine (9) are on target.

2.2   Each performance indicator has a designated officer ('the Responsible Officer' (RO)) who is responsible for managing progress against targets set and associated risks as part of the Progress Reporting for verifying the accuracy of published information. Regular meetings are held between ROs and the Consultation & Communication team to ensure Data Quality issues are promptly addressed.

2.3   All data is and will continue to be produced in a timely fashion as soon as is practicable after the required timescale. The Responsible Officer ensures that calculations / workings are verified by their manager to reduce the potential for error where applicable using the Data Verification Forms.

2.4   Working papers for internal audit inspections are maintained and submitted for review and documented. Performance data benchmarked is referenced clearly for an audit trail.

2.5   When submitting data, the Responsible Officer confirms that it has been produced accurately. Heads of Service certify that the data is accurate by counter signing it and a member of the Consultation and Communication team also verifies that the data is correct by reviewing, signing and authorising it.

2.6   As part of the Council's Performance Management Framework, some of the key performance indicators evaluated are monitored on a monthly basis. Responsible officers for each of these performance indicators submit a Data Verification Form which rigorously follow points 2.2 to 2.5 explained above, and guidelines stipulated in our Data Quality Strategy. The form seeks to demonstrate that the data captured on the systems of responsible officers and the Consultation & Communication team are consistent. The form also requires the responsible officers, their service heads and a member of the Consultation & Communication team all to verify the information submitted before signing it to confirm that the data submitted as part of the Council's Performance Management Framework is accurate and consistent across reporting periods.

2.7   The Data Quality Strategy sets out in greater detail the current reporting process for performance management information within the context of the Corporate Plan, SDLIs, Progress Reports and the Monthly Reports used to monitor corporate performance and its management.

2.8   The Data Quality Strategy will be reviewed in 2016 as part of the new Corporate Plan 2016 to 20. The Action Plan will be reviewed annually.

3   Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

3.1   Data quality is essential to ensure that the Council effectively monitors progress against delivery of its Key Priorities and Service Plans. It is integral to the Council's Performance Management Framework.

4   Financial and Manpower Implications

4.1   The Data Quality Strategy will be reviewed for 2016 to 20 and new actions considered. Any actions agreed will have to be delivered within agreed budgets, including the reduced staffing budget.

4.2   In the compilation and presentation of data by the authority, it is necessary to take account of legislative and regulatory requirements deriving from the Data Protection Act 1998 (with data quality controls constituting a key means of complying with Data Protection Principle 7, appropriate technical and organisational measures), the Freedom of Information Act 2000, the datasets changes to FOIA 2000 arising from the Protection of Freedoms Act 2012, and the Code of Recommended Practice for Local Authorities on Data Transparency.

4.3   Data quality also operates in the context of information sharing and partnership working with countywide and national partners, such as other Surrey districts, Surrey County Council, and Central Government departments.

4.4   Officers of the Council will need to bear these legislative, regulatory and partnership issues in mind when considering data quality matters.

4.5   ***Chief Finance Officer's comments:*** There are no specific financial or manpower implications for the purpose of this report.

5   Legal Implications (including implications for matters relating to equality)

5.1   There are no particular legal implications for the purpose of this report.

5.2   ***Monitoring Officer's comments:*** None for the purposes of this report.

6   Sustainability Policy and Community Safety Implications

6.1   There are no particular community safety implications for the purpose of this report.

7   Partnerships

7.1   There are no particular partnership implications for the purpose of this report.

8   Risk Assessment

8.1   Data Quality forms part of the Council's corporate governance arrangements and failure to monitor and implement appropriate actions would leave weaknesses in the Council's management controls.

9   Conclusion and Recommendations

9.1   Progress has been made in delivering the actions identified in the Data Quality Strategy Action Plan. Ongoing measures will continue to be implemented to ensure Data Quality is in place as part of the development of the new Corporate Plan 2016 to 20.

9.1   The Committee is asked to identify any issues requiring action over and above that set out in the Data Quality Action Plan 2015/16 in Annexe 1.

WARD(S) AFFECTED: All

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Data Quality

Data Quality Action Plan Progress

Prepared for the Audit, Crime & Disorder and Scrutiny Committee – October 2015

Data Quality Action Plan - Overall Picture as at October 2015/16

On Target, 90%
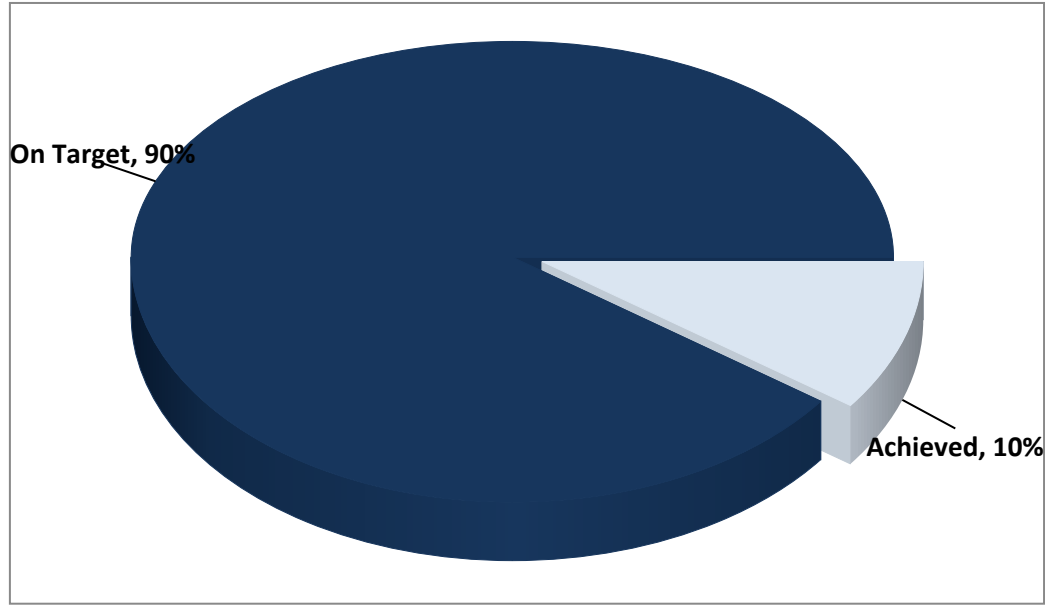
Achieved, 10%

Overall, of the **10 Data Quality Actions** for 2015/16, **nine (9)** are On Target and **one (1)** Achieved.

Data Quality Action Plan Progress as at October 2015

Actions	Resource Implications High Medium Low	Target Date	EEBC Officer	Comments	Update as at October 2015	Current Action Status
1. Ensure all documents comply with Data Quality Strategy eg Performance Reports, Single Data Indicator submission papers and all other key documents	M	Quarterly (Ongoing)	Research, Consultation & Information Analyst and all data originators	Check C&C documents and move onto corporate and all staff	Performance indicators in our Monthly Reports are randomly selected and rigorously audited to ensure they comply with our Data Quality Strategy. The Progress Reports continue to be submitted to the various policy committees to ensure Data Quality (DQ) is maintained and officers are given the opportunity to attend chairmen's call over and answer any questions councillors and other officers may have around their performance data. The data verification and exceptional reporting schedule continues to be implemented as part of the Consultation and Communication (C&C) team's data verification processes. The C&C team schedules meetings with Responsible Officers (ROs) to go through the processes involved in collating the data and to ensure the information submitted is accurate. The Data Verification forms and hard	On Target

Actions	Resource Implications High Medium Low	Target Date	EEBC Officer	Comments	Update as at October 2015	Current Action Status
					evidence submitted are then checked and counter signed by the RO's, their Service Head or Director and then finally review by an independent officer within the C&C team.	
2. Compile a verification schedule to cover the whole year and must be strictly adhered to, to ensure data sources are verified as planned.	H	Monthly (Ongoing)	Research, Consultation & Information Analyst and all data originators	Check protocols & validation controls are in place for ensuring data is recorded accurately at source for each Key Performance Indicator	This action continues to be implemented as part of the Council's Data Verification process for 2015/16. An annual data verification schedule for all the monthly performance indicators has been implemented with submission papers signed for by both the responsible officers for that particular indicator, their Service Head and then verified by the Research, Consultation & Information Analyst within the Consultation & Communication team.	On Target ☞

Actions	Resource Implications High Medium Low	Target Date	EEBC Officer	Comments	Update as at October 2015	Current Action Status
3. Process Documentation - Regular meetings between C&C and Data Originators, identify training needs, ensure data submitted internally and externally are consistent	H	Monthly and ongoing	Research, Consultation & Information Analyst and Information & Consultation Officer	Set up regular meeting with ROs to ensure levels of consistency are maintained.	The team continues to schedule meetings as part of the data verification process with the responsible officers to ensure information and evidence submitted with the data verification forms is consistent with the data in the performance reports. The C&C team have also scheduled monthly one-to-one meetings with the Housing and Refuse & Recycling teams because of the pending or already implemented changes in policy or service delivery within those teams. This keeps the C&C team up to date while ensuring a high level of accuracy is maintained, issues regarding DQ are addressed and best practice used internally and externally are shared. The need to incorporate internal audit recommendation/s when the need arises will be delivered as part of this action. So far no recommendation/s have been received to date.	On Target

Actions	Resource Implications High Medium Low	Target Date	EEBC Officer	Comments	Update as at October 2015	Current Action Status
4. Staff awareness campaign- Review ROs understanding of Data Quality, getting it right the first time	H	Quarterly and ongoing	Research, Consultation & Information Analyst and Information & Consultation Officer	Create a series of internal awareness initiatives to keep DQ in the minds of staff through emails, Iris, One 2 Ones, half yearly Surgeries and annual workshops	This is done through one to ones, as part of any queries the C&C team, Statutory Officers Group, staff or internal auditors may have or want clarification on. All questions raised are followed up and findings fed back to the relevant party. The C&C team ensures that evidence submitted in the verification forms is clearly explained with a step by step audit trail illustrating how the final figures were reached. This has led to a more rigorous data quality process and it's considered best practice by internal auditors. Staff are aware of the DQ Strategy and as part of the DQ verification form, confirm in writing by signing and agreeing with the statement that they have adhered to the Council's DQ Strategy principles. All targets are reviewed annually to ensure lessons learnt as part of the performance management process within that year are implemented in the next financial year. Those actions that can't be deliver due to resources are reviewed with immediate effect either in the Monthly or Progress Performance Reports to ensure prompt decision are made by officers, councillors and the Leadership Team regarding those indicators.	On Target ☞

Actions	Resource Implications High Medium Low	Target Date	EEBC Officer	Comments	Update as at October 2015	Current Action Status
5. C&C to submit a Data Quality report to Audit, Crime & Disorder and Scrutiny Committee	L	Oct 2015 Annual Ongoing	Research, Consultation & Information Analyst and Information & Consultation Officer	Discuss process as it stands and implement recommendations made	Report going to Audit, Crime & Disorder and Scrutiny Committee in October 2015.	On Target ☞
6. C&C to submit a Data Quality report to S&R Committee for discussion	L	Mar 2016 Annual Ongoing	Research, Consultation & Information Analyst and Information & Consultation Officer	Discuss process as it stands and what Members might like to see improved	Report going to S&R Committee in March 2016.	On Target ☞
7. Conduct an annual check of data quality	H	Quarterly Ongoing	Information & Consultation Officer	Work with data originators during the year to ensure no surprises	A formal programme of spot checks has been developed as part of Year 4 of the Annual Service Plans. By year end, randomly selected indicators collected in the Monthly Report will undergo a spot check as per the Data Verification scheduled for 2015/16.	On Target ☞

Actions	Resource Implications **High** **Medium** **Low**	Target Date	EEBC Officer	Comments	Update as at October 2015	Current Action Status
8. Internal Audit (IA) – work with IA to incorporate data quality into their annual review programme, act on identified good practice & areas for improvement	M	Annual Ongoing	Research, Consultation & Information Analyst and Information & Consultation Officer	Add suggestions and actions into quarterly reports for formal monitoring as required	As part of the 2014/15 Internal Audit, Data Quality was audited and the recommendation given has already been implemented and now forms part of the C&C's data quality processes. The Research, Consultation & Information Analyst in the C&C team have arranged to shadow the Internal Auditor to gauge questions asked, processes used, how recommendations are reached and approaches used to ensure officers deliver recommendations made around data quality. This will help strengthen the Council data quality processes as part of the Performance Management.	On Target ☜

Actions	Resource Implications High Medium Low	Target Date	EEBC Officer	Comments	Update as at October 2015	Current Action Status
9. Formalise regular spot checks of indicators to strengthen data quality and ensure information reported is consistent across the board. Ensure an audit trail of evidence.	H	Monthly Ongoing	Information & Consultation Officer	Set up a regular review of spot checks with audit trail. Implement through the year.	There is an overlap between this action and action number 6. This action has been completed. A verification form has been created and regularly reviewed to reflect good DQ practice. Spot checks have taken place, with a good response from staff and will be an ongoing process. A formal programme of spot checks will be developed to ensure those indicators with any historic issues are captured, along with any other indicators should any issues arise.	On Target ☞
10. Update Data Quality Strategy, incorporating new action plan	M	Mar 2015 (Ongoing – the Action Plan Section)	Research, Consultation & Information Analyst	Update the Strategy to reflect new actions to be taken and changes made by Central Government	This has been completed for 2015/16. However, the Date Quality Strategy has to be updated to tie in with the new Corporate Plan 2016/20. Actions in the Strategy will continue to be revised annually to ensure Data Quality is maintained and that best practice is continually added as part of our performance management framework. ROs will also be given the opportunity to take part in updating the Strategy and devising new action plans.	Achieved 👍

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INFORMATION GOVERNANCE

Report of the: Head of Legal & Democratic Services

Contact: Simon Young

Urgent Decision?(yes/no)   No

If yes, reason urgent decision
required:

Annexes/Appendices (attached):   None

Other available papers (not
attached):

REPORT SUMMARY

A report to update members in relation to the Council's arrangements for Information Governance, in light of previous audit reports and good practice.

	Notes
RECOMMENDATION (S) **(1) That members note the current position in respect of the Council's Information Governance arrangements and determine what future reporting they wish to receive on this subject.**	

1   Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1   Information Governance arrangements do not directly feature in the Council's key priorities and the applicable service plans. However, information governance is indirectly important to delivering against some of those key priorities. Poor information governance would have general implications for the Council's finances, for example if fines were imposed.

2   Background

2.1   "Information Governance" is a term which covers the standards, policies and procedures which govern the integrity, security and use of information within an organisation.

2.2   Information Governance covers a wide variety of areas of work. For example, the report on this agenda relating to Data Quality is part of the framework for assuring the integrity and use of certain information.

2.3   Information Governance covers all the information held by the Council and all the formats, devices and locations where that information is held.

2.4   As the topic is so broad, within the confines of a single report it is possible only to give a flavour of the work which is being undertaken.

2.5   The context as to why this subject is important, and what are our responsibilities is drawn from a number of sources, including:

2.5.1 Information rights and responsibilities

- *Data Protection Act 1998*

- *Freedom of Information Act 2000*

- *Environmental Information Regulations 2004*

2.5.2 Government Openness and Transparency Agenda

2.5.3 Council business priorities

2.5.4 Public Sector Network connection requirements

3   Where are we now? Where are we headed?

3.1   What do we want to achieve?

3.1.1 Efficient and appropriate use and sharing of data within the Council and with partners and customers

3.1.2 Security matched to risk

3.1.3 Restrictions on access according to role

3.1.4 Efficient Storage, Retrieval and Destruction systems

3.1.5 Organisation-wide appreciation of the issues

3.1.6 Detailed disaster recovery and business continuity

3.2   How are we doing this?

3.2.1 Governance Framework

- *Senior Information Risk Owner*

- *Information Asset Owners*

- *Individual staff and members*

- *Information Governance Group*

3.2.2 Good records management – which helps staff to manage the "Information Mountain"

3.3   Security breaches are a financial risk for Epsom and Ewell as well as for our public reputation. We can, and do, have technological security in place, but all staff and members hold the key to information security in their everyday work.

3.4   What protection do we have from threats?

     3.4.1   Technology - Network, Virtual desktops, protection against threats.

     3.4.2   Processes - Saving records securely, sending sensitive information securely, making sure records are accessible but protected.

     3.4.3   Staff - Training, awareness, control.

3.5   The Information Governance Group has developed an action plan to address the key issues.

3.6   A number of internal audit assessments have been undertaken in recent years, and officers have sought to implement the recommendations in those reports. Most recently, a report on Information Governance was finalised on 23 October 2015. This gave reasonable assurance that the controls in place are suitably designed and consistently applied (Amber/Green). However, it also identified issues which require to be addressed. These comprised 1 medium- and 8 low- priorities for action, as set out in the agreed action plan in the report.

3.7   Some incidents do occur, but none has, so far, been "serious" according to the Information Commissioner's guidance. Breaches have been contained and, where appropriate, measures have been taken in an effort to prevent recurrence.

4   Financial and Manpower Implications

4.1   ***Chief Finance Officer's comments:*** The cost of ensuring adequate information governance arrangements is embedded within general overheads. Good information governance should be part of all services. The implications of not complying with statutory requirements could be significant. For example, the Information Commissioner has the power to issue monetary penalties up to £500,000 for breaches of the Data Protection Act 1998.

5   Legal Implications (including implications for matters relating to equality)

5.1   ***Monitoring Officer's comments:*** Information Governance concerns all of the Council's functions. There are several statutory duties engaged, of which the requirements of the Data Protection Act 1998 are key. The Act requires that the Council comply with the data protection principles, which relate to how personal information is acquired, kept, used and disposed of. For the purposes of this report, the most important principle is principle 7. This states that "Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data."

5.2   Various actions across departments (particularly ICT) seek to meet the above requirement.

6   Sustainability Policy and Community Safety Implications

6.1   There are no implications arising directly from this report. Data protection requirements are engaged in relation to community safety work, and the arrangements are considered to be adequate.

7   Partnerships

7.1   It is important that appropriate arrangements are in place with all contractors and partners with whom we exchange data.

8   Risk Assessment

8.1   The risks in relation to information governance are organisational, technical, financial and reputational. Whilst it is impossible to eliminate all risk, the aim is to ensure that sufficient controls are in place to meet the objectives set out in paragraph 3.1. The level and nature of controls implemented must be balanced against the cost of those controls, both in cash terms and impact on productivity. Although the recent audit report is a snapshot of some issues, it is considered that the conclusion would also be a fair assessment of the Council's current overall level of assurance.

9   Conclusion and Recommendations

9.1   In conclusion, it is considered that the Council's arrangements for Information Governance are adequate, balancing our statutory obligations, the threats which exist, and the costs of control solutions. It is recommended that members note the report and determine whether and how they wish to be updated in future.

WARD(S) AFFECTED: N/A

OUTSTANDING REFERENCES AND WORK PROGRAMME 2015/16

Report of the:	Head of Legal & Democratic Services
Contact:	Margaret Jones
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annexe 1: Outstanding References
	Annexe 2: Updated Work Programme 2015/16
Other available papers (not attached):	None stated

REPORT SUMMARY

This report lists references to officers outstanding as at 26 November 2015 and asks the Committee to agree its ongoing Work Programme for 2015/16.

	Notes
RECOMMENDATION (S) **That the Committee:** (1) **Notes the references to officers detailed at** **Annexe 1;** (2) **Notes the progress made to date against its work programme 2015/16;** (3) **Agrees the updated work programme for 2015/16 attached at Annexe 2.**	

1   Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1   Specific implications are dependent on the items agreed for inclusion in the work programme of the Audit, Crime & Disorder and Scrutiny Committee. Such implications are considered by the Committee before any given investigation.

2   Outstanding References

2.1   The Committee is asked to note the outstanding references to officers detailed at Annexe 1.

3   Work Programme Update

3.1   At its meeting held on 23 June 2015 the Audit, Crime & Disorder and Scrutiny Committee agreed its work programme for 2015/16.   Since this meeting some notable progress has been made against the plan.   Two scrutiny reviews have been completed – Reviews of the Social Centres and Routecall.   The recommendations of the two appointed Task Groups approved by the Audit, Crime & Disorder and Scrutiny Committee on 6 October 2015 are due to be considered by the Social Committee at its meeting on 29 October 2015.

3.2   At the time of drafting, the Task Group appointed by the Committee to undertake the Review of the Arrangements for Publicising and Determining Planning Applications was about to start its investigations.   Originally this review was to report its findings to the Committee in November 2016.   However, the Committee agreed at its June 2015 meeting that the Task Group should look to run its investigation from October/November 2015 until February 2016.

3.3   Lastly, a new item for scrutiny review has been identified – Venues Service Review.   No details regarding scope etc. are available at this time, draft Terms of Reference are due to be discussed at the Financial Policy Panel in December 2015.   A report covering details of this review will be presented to the Committee at a future meeting.

4   Proposals

4.1   It is proposed that the Audit, Crime & Disorder and Scrutiny Committee note the outstanding references to officers detailed at Annexe 1.

4.2   It is also proposed that the Committee notes the progress made against its work programme 2015/16 and that it approves the updated work programme attached at Annexe 2.   Amendments/additions made since June 2015 are highlighted in bold.

5   Financial and Manpower Implications

5.1   When considering the work programme of the Audit, Crime & Disorder and Scrutiny Committee, the Committee will wish to consider workload implications for both its members and officers.

5.2   Currently, as discussed in paragraph 3.2 above, the Review of the Arrangements for Publicising and Determining Planning Applications is about to start. It is anticipated that the Task Group's report will be presented to the Committee at its February 2016 meeting.   It is anticipated that the investigation into the Venues Service Review would not start until towards the end of this current year; it would not be completed until 2016/17.

5.3   *Chief Finance Officer's comments:* None for the purposes of this report.

6   Legal Implications (including implications for matters relating to equality)

6.1   The work programme attached at Annexe 2 has been designed to meet the Committee's responsibilities set out in legislation and its Terms of Reference.

6.2   ***Monitoring Officer's comments:*** There are no implications arising directly from this report. However, there are clear issues arising from some of the individual areas of work and it will be necessary to ensure that those issues are addressed in as that work is completed.

7   Sustainability Policy and Community Safety Implications

7.1   Scrutiny of the Community Safety Partnership is a responsibility of the Audit, Crime & Disorder and Scrutiny Committee.

8   Partnerships

8.1   The Committee has the ability to make reports or recommendations on matters which affect the authority's area or the inhabitants of that area.

9   Risk Assessment

9.1   On-going monitoring of its agreed work programme will enable the Committee to ensure it is meeting its responsibilities (statutory and local). It also enables the Committee to manage its workload across the year to identify priorities and to reschedule work according to need/risk.

10   Conclusion and Recommendations

10.1   The Audit, Crime & Disorder and Scrutiny Committee agreed its work programme for 2015/16 at its June 2015 meeting. Since then progress has been made against the plan. In addition, a new item for scrutiny review has been identified.

10.2   It is recommended that the Committee notes the outstanding references to officers as at 26 November 2015. It is also recommended that the Committee notes the progress that has been made to date against its work programme 2015/16 and that it agrees the updated work programme attached at Annexe 2.

WARD(S) AFFECTED: N/A

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The following references to Officers are outstanding as at 26 November 2015: -

Date of reference/Item	Title and nature of report back	Officers	Report due	Position as at 23 June 2015	Latest Position
5/02/2014 Min 31 And 9/04/2015 Min 44	Information Governance (Formerly Data Security)	Head of Legal and Democratic Services	November 2014	Report to November 2015 meeting	Report elsewhere on Agenda (Item 11)
9/04/15 Min 40 And 23/06/15 Min 9	Review of the administrative arrangements for publicising and determining planning applications	Scrutiny Officer	November 2015	Report to February 2016 meeting	Report to February 2016 meeting

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Overview and Scrutiny Work Programme 2015/2016

MEETING DATE	ITEMS FOR CONSIDERATION BY FULL COMMITTEE	ITEMS FOR CONSIDERATION BY TASK GROUP(S)
23 June 2015	• Internal Audit Assurance Report 2014/15 • Internal Audit Monitoring Report 2014/15 • Annual Governance Statement 2014/15 • Community Safety Partnership 2014/15 – End of Year Report • Performance Management Progress Report 4 2014/15 • Corporate Equality Scheme Annual Report 2014/15 • Annual Report on use of Delegated Powers • Work Programme 2015/16	• Social Centres Review *(July – October 2015)* • Review of Routecall *(July – October 2015)*
6 Oct 2015	• Social Centres Review - final report • Review of the Routecall Service - final report	
26 Nov 2015	• Quarters 1 and 2 Internal Audit Monitoring Report 2015/16 • External Audit Update Report • Annual Governance Statement and District Auditor's Audit Findings – Progress Against Action Plans • Risk Management Framework Annual Report • Performance Management Progress Report 1 2015/16 • Community Safety Partnership 2015/16 – Half Year Report • Data Quality • Information Governance • Work Programme 2015/16	• Review of the Arrangements for Publicising and Determining Planning Applications *(Nov 2015 – Feb 2016)*
4 Feb 2016	• Quarter 3 Internal Audit Monitoring Report 2015/16 • External Audit Update Report • Performance Management Progress Report 2 2015/16 • **Scrutiny Review of the Arrangements for Publicising and Determining Planning Applications - final report** • Work Programme 2015/16	• **Venues Review** **(Feb – October 2016)**
14 April 2016	• Internal Audit Strategy 2015/16 • Quarter 4 Internal Audit Monitoring Report 2015/16 • External Audit Update Report	

MEETING DATE	ITEMS FOR CONSIDERATION BY FULL COMMITTEE	ITEMS FOR CONSIDERATION BY TASK GROUP(S)
	• Performance Management Progress Report 3 2015/16 • Annual Report 2015/16	

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