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Simon Young, Solicitor
Head of Legal and Democratic Services



AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE

Tuesday 28 June 2016 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 David Reeve (Chairman)
Councillor Clive Smitheram (Vice-
Chairman)
Councillor Steve Bridger
Councillor Alex Clarke
Councillor Rob Geleit

Councillor Jan Mason
Councillor Peter O'Donovan
Councillor Humphrey Reynolds
Councillor David Wood
Councillor Tella Wormington

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Young'.

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.

3. MINUTES OF THE PREVIOUS MEETING (Pages 3 - 8)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on 14 April 2016 (attached) and to authorise the Chairman to sign them.

4. INTERNAL AUDIT MONITORING REPORT (Pages 9 - 34)

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

5. INTERNAL AUDIT ASSURANCE REPORT (Pages 35 - 54)

This report advises on the internal audit assurance level for 2015/16 and summarises the performance of internal audit for that year.

6. PLANNED AUDIT FEE FOR 2016/17 (Pages 55 - 60)

This report sets out to propose audit fee for 2016/17.

7. ANNUAL GOVERNANCE STATEMENT 2015/16 (Pages 61 - 74)

This report seeks the Committee's formal approval of the Annual Governance Statement and the arrangements made for its preparation as part of the 2015/16 financial statements.

8. 2015/16 COMMUNITY SAFETY PARTNERSHIP REVIEW REPORT (Pages 75 - 84)

This report informs the Committee of the performance of the Epsom & Ewell Partnership (CSP) for the year 2015/16.

9. REVIEW OF CCTV PROVISION (Pages 85 - 98)

This report provides the Committee with a review of the Council's CCTV provision

10. ANNUAL REPORT ON THE USE OF DELEGATED POWERS (Pages 99 - 108)

In accordance with the Council's Scheme of Delegation to Officers, this report sets out significant decisions taken by officers under delegated powers since 15 April 2015.

11. WORK PROGRAMME 2016/17 (Pages 109 - 114)

This report asks the Committee to agree its work programme for 2016/17.

**Minutes of the Meeting of the AUDIT, CRIME & DISORDER AND SCRUTINY
COMMITTEE held on 14 April 2016**

PRESENT -

Councillor Clive Smitheram (Chairman); Councillor David Reeve (Vice-Chairman); Councillors Hannah Dalton (as nominated substitute for Councillor Peter O'Donovan), Robert Foote, Humphrey Reynolds and Mike Teasdale (as nominated substitute for Councillor David Wood)

In Attendance: Ade O Oyerinde (Audit Manager) (Grant Thornton UK LLP) and Karen Williams (Risk Advisory Director) (RSM Risk Assurance Services LLP) (Items 38 - 43 only)

Absent: Councillor Steve Bridger, Councillor Kate Chinn, Councillor Alex Clarke, Councillor George Crawford, Councillor Peter O'Donovan and Councillor David Wood

Officers present: Kathryn Beldon (Director of Finance and Resources), Margaret Jones (Scrutiny Officer), Tim Richardson (Democratic Services Officer), Richard Chevalier (Parking Manager) (Items 38 - 42 a) only), Gillian McTaggart (Corporate Risk & Governance Manager) and Joy Stevens (Head of Customer Services and Business Support) (Items 38 - 42 a) only)

38 QUESTION TIME

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

39 DECLARATIONS OF INTEREST

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

40 MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting of the Audit, Crime & Disorder and Scrutiny Committee held on 4 February 2016 were agreed as a true record and signed by the Chairman.

41 ORDER OF BUSINESS AT THE MEETING

The Chairman proposed that the order of business to be considered at the meeting be amended from that detailed in the Agenda, to enable the Internal Auditor's reports to be considered next. The Committee agreed to this amendment.

42 INTERNAL AUDIT MONITORING REPORT

The Committee received a report summarising progress against the Audit Plan for 2015/16.

The following matters were considered:

- a) Audit Assignment: Car Park Income. The Committee noted that the Council's Parking Manager and Head of Customer Services & Business Support were in attendance to answer any queries which Members had regarding this Audit report, and thanked the two Officers for their attendance. The Committee was informed that the Audit of Car Park Income had identified significant positive variances in the sums collected from parking machines, meaning that more money had been collected than was anticipated. The Internal Auditor informed the Committee that the Auditor's concerns regarding this issue related to the lack of ability to accurately reconcile the income from the machines, as this could potentially mask negative or fraudulent variances.

Officers informed the Committee that this issue had occurred due to the parking machines not producing an audit ticket for all of the transactions which had taken place. The Committee was informed that these audit tickets had not been produced either due to the malfunction of the machine, or because they had run out of paper. This was a long-running historic issue which had been undetected until it was identified by the Audit. In response to the issue coming to light, Officers had identified a mechanism by which the content of historic transactions could be retrieved from the parking machines, and had used this to reconcile the variances. As a result, it had been possible to reconcile the income received, so that the largest variance was in fact under £10.

Officers also informed the Committee that processes for future car parking income collection had been amended to record when an Audit ticket had not been produced by a machine. This enabled Officers to retrieve the relevant information from the system straight away, to enable reconciliation. It was noted that a 2-stage reconciliation process was in place, as income was reconciled against the parking machine audit tickets, and then again when banked.

The Committee expressed its thanks for the explanation provided by the Officers. The Committee also expressed that it was reassured by the actions taken to provide an accurate reconciliation of both past and future income from parking machines.

- b) Project Management and Contract Management Advisory Reviews. The Director of Finance and Resources informed the Committee that progress against the actions for the Project Management Advisory Review was proceeding well, and that a draft Project Management Methodology and Toolkit had been produced for use in all projects in future. The Committee was also informed that implementation of actions from the Contract

Management review would be delayed until the Council's current review of its procurement arrangements had been completed. The Committee requested that an update on the actions from these two Advisory Reviews be presented to a future meeting.

- c) Use of Fuel Cards. Following a question from a Committee Member, it was noted that the Council operated a Fuel Card system for its transport fleet. An audit review of this had previously been considered by the Committee, following the identification of fraudulent activity by external parties. The Council maintained stringent controls on its fuel card system.

Following consideration, the Committee:

- (1) Noted the Internal Audit Progress report for 2015/16 and requested that an update on progress against actions within the Project Management and Contract Management Advisory Reviews be presented to its meeting in February 2017.

43 INTERNAL AUDIT STRATEGY 2016-17

The Committee received a report presenting an updated Strategy for Internal Audit for 2016/17.

Following consideration, the Committee:

- (1) Endorsed the Strategy for Internal Audit for 2016/17 as prepared by RSM.

44 EXTERNAL AUDIT - PROGRESS REPORT

The Committee received a report setting out the approach being taken by the Council's external auditors, Grant Thornton, to the audit of accounts for 2015/16.

Following consideration, the Committee:

- (1) Noted the External Audit Plan for the year ended 31 March 2016 as endorsed by the Strategy and Resources Committee on 5 April 2016.

45 PERFORMANCE MANAGEMENT 2015/16: PROGRESS REPORT THREE

The Committee received a report presenting performance management information for 2015/16 and an overview of progress made against the policy committee's actions.

The Director of Finance and Resources informed the Committee that this was the last Performance Management report which would be presented in this format, and that a year-end report would not be presented to the next meeting. New Performance Indicators would be set under the Corporate Plan 2016-2020, and future monitoring would be undertaken against these.

Following consideration, the Committee:

- (1) Received and noted the Performance Management Progress Report Three 2015/16.
- (2) Did not identify any issues requiring further action within the Report.

46 SCRUTINY REVIEW OF THE ARRANGEMENTS FOR PUBLICISING AND DETERMINING PLANNING APPLICATIONS

The Committee received a report of the Scrutiny Review Task Group on the Administrative Arrangements for Publicising and Determining Planning Applications.

The Committee considered the Task Group's report and noted that certain recommendations contained within it would require further approval by either the Planning Committee (such as delegation to officers) or Council (such as amendments to the Constitution).

Following consideration, the Committee:

- (1) Approved the Report of the Scrutiny Review Task Group relating to the Administrative Arrangements for Publicising and Determining Planning Applications, and the recommendations contained therein.

The Committee noted that a progress update on the implementation of the recommendations contained within the Task Group's report would be presented to a future meeting and expressed its thanks to the Scrutiny Officer for her work on the Review.

47 ANNUAL REPORT 2015/16

The Committee received the Annual Report of the Audit, Crime & Disorder and Scrutiny Committee for 2015/16.

The following matter was considered:

- a) Scrutiny call-in procedure. Members of the Committee expressed that a briefing and further information regarding the power to request a scrutiny call-in of a decision of the Council's 'Policy' committees would be of interest. It was noted that a briefing on the procedure for a scrutiny call-in had been provided to the Committee in June 2015, and that a written summary would be included within an issue of the weekly 'Members' Briefing' document sent to all Councillors.

Following this consideration, the Committee:

- (1) Approved the Annual Report 2015/16.
- (2) Authorised the Scrutiny Officer in consultation with the Chairman to make any amendments or additions necessary to the Annual Report 2015/16 as a result of the business transacted at this meeting.

48 OUTSTANDING REFERENCES

The Committee noted that there were no outstanding references to Officers, other than those requested at this meeting.

49 VOTE OF THANKS

The Committee passed a vote of thanks to the Chairman, for his diligence and hardwork on its behalf over the past 5 years.

The Chairman thanked Members and Officers for all their work and support during his time as the Chairman.

The meeting began at 7.30 pm and ended at 8.25 pm

COUNCILLOR CLIVE SMITHERAM (CHAIRMAN)

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INTERNAL AUDIT MONITORING REPORT

<u>Report of the:</u>	Head of Corporate Risk
<u>Contact:</u>	Gillian McTaggart
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	N/A
<u>Annexes/Appendices (attached):</u>	<u>Annexe 1</u> – Internal Audit Progress Report
<u>Other available papers (not attached):</u>	Strategy for Internal Audit 2015/16

REPORT SUMMARY

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

RECOMMENDATION (S)

Notes

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

1 Implications for the Council's Key Priorities, Service Plans and Sustainable 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 Audit recommendations.

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. RSM use a traffic light system of Red, Red/Amber, Green/Amber and Green to give a clear indication of whether a report is positive or negative. During the year, progress reports will reflect the opinions and build a picture of the findings contained within the end of year opinion. The recommendations have three ratings, High, Medium and Low and contains the following features:

- 3.2.1 A summary of progress against the audit plan;
 - 3.2.2 Internal audit plan performance;
 - 3.2.3 Any alterations to the plan;
 - 3.2.4 Key findings for each review.
- 3.3 Two reports have been finalised since the last monitoring report. These are Green Waste (Amber/Green) and Software Licensing (Amber/Green), shown in bold in the Table below.

Summary of Progress against the Internal Audit Plan

Assignment	Opinion	Actions Agreed		
		H	M	L
<i>Attendance</i>	Green		1	1
<i>Recruitment</i>	Amber/Green		1	5
<i>Review of Anti Fraud and Anti Bribery Arrangements</i>	Advisory	1	5	3
<i>Cash Handling</i>	Amber/Green	1	5	3
<i>Venues</i>	Amber/Green		1	1
<i>Information Governance</i>	Amber/Green		2	8
<i>Property Maintenance</i>	Amber/Red	1	1	2
<i>PCI Compliance</i>	Amber/Red	3	6	
<i>Project Management</i>	Advisory		7	
<i>Contract Management</i>	Advisory		7	
<i>Income from Car Parking</i>	Amber/Red	1	1	1
<i>Fleet Management</i>	Green			2
<i>Payroll</i>	Amber/Green		1	3
<i>Capital Accounting & Asset Management</i>	Green			0

Green Waste Income	Amber/Green		2	1
Software Licensing	Amber/Green		4	2
Performance Management	Draft issued Amber/Green			
Facilities Management Contract Review	Draft Advisory			
Data Quality	WIP			
Follow up previous internal audit recommendations	Draft Reasonable Progress			

- 3.4 Two reports are currently in draft; these are Performance Management and the Facilities Management Contract Review, which will be reported to the next meeting. The Data Quality Review and the follow up review are still work in progress.

Progress Update – Customer Relationship Management (CRM) Post Implementation Review

- 3.5 The post implementation advisory review of the CRM was reported to Committee in November 2015. This review identified a number of issues with the functionality of the CRM which resulted in work arounds and parallel systems being operated. The Committee were advised that an action plan was being developed and a Project Board being established. Progress has been made in addressing the issues identified which can now be reported to Committee.
- 3.6 The auditors recommended that the Council should stabilise, design, develop, operate and support the existing platform or complete a full re-implementation of the CRM 2011, with their preferred option being to stabilise.
- 3.7 A halt was placed on all further development work and a Project Board established. A project scope was agreed to initially resolve short term issues and then to look at a medium term solution, focusing on a low cost, low maintenance system.
- 3.8 The agreed action plan is now in place and monitored by the Project Board. Some internal remedial work has been undertaken which has improved workflows, ensures only one issue log is maintained, and has synchronised the test and live systems.

3.9 Further short term actions are currently in progress, including switching on the audit trail to improve security and improve additional workflows. The Project Board are also looking at a range of options to provide a more cost effective CRM and assessing the internal skills required to support this. The Board will continue to meet regularly and monitor the action plan, taking into consideration the outcome of on-going service reviews and business service engineering reviews.

3.10 An update on the progress of the implementation of the high priority recommendations reported in 2015/16 and from 2014/2015 is attached in Annexe 2.

4 Financial and Manpower Implications

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

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

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

5.1 None.

5.2 **Monitoring Officer's comments:** No comments.

6 Sustainability Policy and Community Safety Implications

6.1 There are no community safety implications for this report.

7 Partnerships

7.1 The Council work in partnership with the internal auditors to improve risk management.

7.2 The Council form part of the internal audit consortium with Mole Valley, Reigate and Banstead, Tandridge, Waverly Councils and the Surrey police Authority.

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 are no reports in this monitoring report with a red or red/amber assurance. Those previously reported to committee have been noted in the Head of Internal Audit's Year End Opinion which is reported separately to Committee.

WARD(S) AFFECTED: (All Wards);



EPSOM AND EWELL BOROUGH COUNCIL

Internal Audit Progress Report

Audit, Crime & Disorder and Scrutiny
Committee Meeting

June 2016

This report is solely for the use of the persons to whom it is addressed.
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

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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 solely for the use of the persons to whom it is addressed and for the purposes set out herein. 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 third party which obtains access to this report or a copy and chooses to rely on it (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

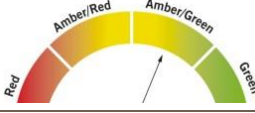
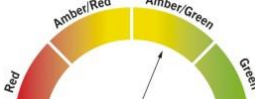
This report provides a conclusion on progress against the 2015/16 internal audit plan and summarises the results of our work.

Our work on the approved internal audit plan for 2016/17 has commenced, with dates for the completion of audit fieldwork agreed with management. No reports have been issued to date.

2 REPORTS CONSIDERED AT THIS AUDIT COMMITTEE

This table informs of the audit assignments that have been finalised and the impacts of those findings since the last meeting of the Audit, Crime & Disorder and Scrutiny Committee held.

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

Assignment	Assurance	Management Actions agreed		
		High	Medium	Low
Green Waste Income (13.15/16)		-	2	1
Software Licensing (16.15/16)		-	4	2

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.

3 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2015/16	Status
Performance Management and Delivery of Corporate Plan	Quarter 4	Draft report issued (17.15/16)
Facilities Management	Quarter 3	Report now issued – 1.16/17 Undertaken by contract specialist.
Data Quality	Quarter 3	Fieldwork now completed, draft to be issued

4 OTHER MATTERS

4.1 Changes to the audit plan

There have been no further changes to the plan.

4.2 Added value work

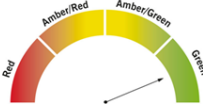
We have undertaken the following added value work in 2015/16.

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.
The combined review of facilities management, risk management, governance and procurement into one audit focusing on the governance, risk management of the facilities management contract in operation.	This review has been undertaken by a specialist to provide guidance as to the suitability of the contract, the adherence to contract terms and any potential for the council to obtain better value from the detail of the contract.

APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Assignment	Opinion issued	Actions agreed		
		H	M	L
Attendance (1.15/16)		-	1	1
Recruitment (2.15/16)		-	1	5
Review of Anti-fraud and Anti-bribery Arrangements (2013/14) (3.15/16)	Advisory	1	5	3
Cash Handling (4.15/16)		1	3	2
Venues (5.15/16)		-	1	1
Information Governance (6.15/16)		-	2	8
Property Maintenance 7.15/16		1	1	2
PCI Compliance Control Framework (8.15/16)		3	6	-
Project Management Advisory review (9.15/16)	Advisory	-	7	-
Contract Management Advisory Review (10.15/16)	Advisory	-	7	-
Car Park Income (11.15/16)		1	1	1

Fleet Management (12.15/16)



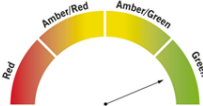
- - 2

Payroll (14.15/16)



- 1 3

Capital accounting and fixed assets
(15.15/16)



- - -

APPENDIX B: EXECUTIVE SUMMARIES

Assignment: Green Waste Management (13.15/16)	Opinion:	Amber Green
<p>The key findings from this review are as follows:</p> <p>Design of Control Framework</p> <ul style="list-style-type: none"> a) There is not a standard procedure for chasing non-payment of subscriptions for green waste collections. There is a risk that a lack of adequate chasing will mean that services continue to be provided without payment. b) When a green waste subscription account expires a letter is sent to the customer in order to prompt renewal. If there is no response the individual is phoned and the account is either renewed over the phone or cancelled. However the timescales for actually cancelling an account were not clear from the process notes and testing undertaken on cancelled accounts. After reminder letters have been sent out, we found that the approach to further chasing subscriptions is ad hoc and at the individual Customer Service Administrator's own discretion. We found evidence where one account subscription was not cancelled until 7 months after the end date and another 3 months, although this account was on the stop list and collections should have stopped. There is a risk of an inconsistent approach to the cancellation of subscriptions resulting in individuals receiving green waste services without payment for extended periods of time. From analysis provided we found that there are 10,989 active green waste accounts in total and of these 670 accounts are being pursued for payment (estimated value £15K - £20K). In respect of these unpaid accounts: <ul style="list-style-type: none"> o 437 have been through the follow up process and are now on the 'Stop List', so are not receiving a service and are awaiting bin recovery. o 233 are currently in the follow up process for October, November and December 2015. c) Ideally a pre requisite for joining the scheme would require customer to sign up to a direct debit payment method, thus negating the requirement to annually chase non-payment. <p>Application of the Control Framework</p> <ul style="list-style-type: none"> d) When an account has been cancelled the individuals on the renewal list are transferred manually onto the 'stop list' by a member of the Customer Services Team. It was noted from our sample that there were four accounts that had been cancelled and were present on the 'stop list' but on the CRM they were still 'active'. On further investigation it became clear the Customer Services Team keep an account active in order to prevent another bin being sent to the individual if the account is renewed in the future. There is a risk the information on the CRM system is not reflective of the green waste services provided by the Council and that services are being provided without received payment. <p>Well-designed controls being applied effectively</p> <ul style="list-style-type: none"> e) Fees and charges for garden waste income are reviewed annually by management. Garden waste fees and charges form part of the schedule of fees ratified by the Environment Committee prior to the start of the financial year. Fees and charges for the collection of green waste were proposed and ratified at the meeting on 20 January 2015 f) Once subscription fees are agreed by the Council the rates are updated on the Council's website. We found that the fees detailed on the Council's website are accurate as per the schedule of rates agreed upon by the Council. 		

g) Subscriptions are required to be paid annually in advance of the service starting or at the renewal date. For a sample of 15 accounts we found that payment was received prior to the collection service being started.

h) Customer details are entered into the CRM system including their payment method/details (Direct Debit, cash or cheque), and the particular green waste collection service they are paying for. For a sample of 15 payments in respect of on-going and new subscriptions we found that the payments agreed to the schedule of rates agreed.

i) Actual income to budgeted income monitoring is carried out on a monthly and quarterly basis. We were provided with monthly and quarterly monitoring reports of green waste income. Any variances in income were explained and detailed on the monitoring spread sheet. Income was on target for the current year. These figures were reported to the Environment Committee.

j) On a monthly basis Customer Services record the level of responsiveness (account renewals) to renewal letters sent out for Green Waste accounts. We found the renewal monitoring spreadsheet was being regularly maintained by the Customer Services Team, with level of responsiveness is regularly above 90%. Payment methods are broken down and analysed into direct debit, cash and cheque.

	Agreed Management Action	Implementation Date	Manager Responsible
1	Clear timescales will be put in place for the cancellation of green waste subscriptions (20 days) after the initial reminder letter and phone call have been made to the customer. Medium	01/04/16	Joy Stevens – Head of Customer Services
2	It was agreed the green waste debt recovery procedure will be brought in alignment with that used by the Council, as detailed below: Reminder 1 - 21 days Reminder 2 - 14 days (in addition) Reminder 3 - 7 days (in addition) If payment is not made after reminder letters have been issued the outstanding debt is passed onto the Council's legal department. Medium	01/04/16	Joy Stevens – Head of Customer Services
3	The Customer Services Team will make this an annual process that takes place in order to collect customer's bins and update the CRM system on the bins recovery. Low	01/04/16	Joy Stevens – Head of Customer Services

Assignment: Software Licensing (16.15/16)	Opinion:	Amber Green
<p>The key findings from this review are as follows:</p> <p>The following key software licensing controls have been designed:</p> <ul style="list-style-type: none"> a) The Council has an Information Assurance Policy in place which covers the process for requesting software thus reducing the risk of software being installed without authorisation. b) The ICT Security and Acceptable Use Policy has been published which stipulates various rules with regards to software. All new starters are required to sign a form agreeing to abide by the ICT Security and Acceptable Use Policy, reducing the risk that staff breach licensing agreements. c) Council workstations have been locked down / restricted in order to prevent users from installing any new software. Where external media, such as USB sticks or external hard drives are connected to any computer, this is initially blocked by the McAfee Endpoint software and must be authorised by ICT before it can be used. This reduces the risk of unauthorised software being installed on computers. d) iPads are managed using XenMobile software and users are unable to install any new apps without an admin password. Blackberry mobile phone devices are managed using specific Blackberry software which enables for phones to be locked down. This prevents unauthorised applications being installed by staff on mobile devices. e) All physical licence keys and agreements are retained in a locked cabinet within the ICT department. Where licence information is in electronic format, it is either stored on a restricted shared drive which only ICT staff have access to, or the Inventory Database (licence keys are stored in the notes). This prevents unauthorised staff gaining access to this information. <p>We, however, identified the following weaknesses in the design of the control framework:</p> <ul style="list-style-type: none"> f) The Council does not have a dedicated Software Management Policy in place. This may result in an inconsistent approach to the management of software by the Council. g) There is an inconsistency between the Software Licences procedure and the flowchart whereby the procedure document does not detail step 10 of the flowchart for procuring new software. Moreover, there is no reference to the Council's procurement policy with regards to number of quotes needed etc. based on value, when procuring software. Inconsistent procedures increase the risk that software is not procured in accordance with Council procurement requirements. h) We also noted that the Software Licences procedure and flowchart do not make reference to the checking of existing software and licences for potential redeployment before a new request purchase is made. This increases the risk of unnecessary costs and a waste of resources through over licensing where software licences procured may not be not utilised. i) The software Inventory Database does not record licence expiry dates. Without licence end dates being recorded against software (where applicable) there is an increased risk of software being used that is not legally licensed, which could result in fines for the Council. j) There is no periodic spot/audit check of software licences carried out. The failure to undertake software audits to ensure that it has a valid licence for all software installed on Council devices increases the risk that the Council could liable to legislative penalties for using unauthorised software. <p>Application of and compliance with control framework</p> <ul style="list-style-type: none"> k) We confirmed by testing a sample of 5 new starters in 2015/16 that in all cases, the starters had signed to confirm that they agree to abide by the ICT Security and Acceptable Use Policy. This reduces the risk that staff are unaware of the software licensing requirements. <p>However, we did identify one area for management attention</p> <ul style="list-style-type: none"> l) We tested 13 software purchases made in 2015/16 and identified seven that had not been recorded on the database. Without an up to date inventory of software the risk of software being used that is not legally licensed increases, which could result in fines for the Council. 		

AGENDA ITEM 4
ANNEXE 1

	Agreed Management Action	Implementation Date	Manager Responsible
1	The job descriptions of ICT staff will identify software management responsibilities (including software licensing). Low	May 2016	Head of ICT
2	The Council will amend the existing ICT Acceptable Use Policy to cover information such as: <ul style="list-style-type: none"> ▪ The management of the software inventory database; ▪ The differing licence requirements for beta versions, demonstration software and freeware; and The undertaking of regular periodic audits on software. (Medium)	September 2016	Head of ICT
3	The Software Licences procedure and flowchart will be updated to ensure all steps of the process are included and consistency is maintained with the Council's procurement requirements. Furthermore, the procedure and flowchart will be updated to stipulate that IT staff receiving service requests for new software and licences should check whether existing software may be redeployed and licences re-used. Following this, the procedure and flowchart will be subject to approval by an appropriate authority. Medium	March 2017	Head of ICT
4	The Council will ensure that where relevant, licence expiry dates are recorded for software. Medium	March 2017	Head of ICT
5	Going forward, the Council will undertake a periodic audit/spot check of the software inventory to verify accuracy; the inventory should be reconciled to procurement records. Furthermore, where software is no longer used by the Council, this will be removed from the Inventory Database. Medium	March 2017	Head of ICT
6	The Council will review and introduce this through the ICT Briefings as part of the ICT Shared Service. Low	March 2017	Head of ICT

FOR FURTHER INFORMATION CONTACT

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Progress Update on 2015/16 High Priority Recommendations

High Priority Recommendation	Agreed Action	Responsible Officer	Implementation Date	Current Position
Cash Handling (Reported to Committee November 2015)				
<p>Gypsy site rent receipts were not being issued by the collecting officer for monies collected and in this respect any allegations of fraud or irregularity could not be systematically refuted.</p> <p>In addition the rent account system is not operational and individual rent accounts are not up to date.</p>	<p>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.</p> <p>Once operational again up to date rent accounts will be posted with historic rent debit and payment transactions for 14/15.</p>	Housing Operations Manager	Nov 2015	<p>The Gypsy Liaison Officer is issuing receipts for the rent. The Housing Operations Manager continues to monitor this at regular one to one meetings. COMPLETED</p> <p>The rent account system is operational and all historic transactions have been posted. COMPLETED BUT ONGOING ISSUES WITH THE RENT ACCOUNT. (An audit of the housing rent accounting and reconciliations is planned for 2016-17).</p>
Fraud Review (Reported to Committee November 2015)				
<p>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 sessions should be supplemented with:</p> <p>Leaflets, flyers and anti-fraud and bribery literature</p>	<p>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</p> <p>The induction training will be reviewed to ensure it adequately reflects the Council's approach to fraud.</p>	<p>Corporate Risk & Governance Manager G McTaggart</p> <p>S Mason (induction training)</p>	Dec 2015	<p>A brief outline of our fraud arrangements is included within both the HR Induction & the Corporate Induction. COMPLETED</p> <p>The policies have been reviewed and updated. They are currently in draft and need to be finalised. Once agreed a training programme will be rolled out. OUTSTANDING TRAINING TO BE ARRANGED</p> <p>There will be a dedicated section on the Intranet to provide guidance to staff on fraud once new Intranet is in place. OUTSTANDING</p>

<p>A dedicated internal and external web-page.</p> <p>A clearly defined whistleblowing or reporting mechanism. (High)</p>				
PCI Compliance Control Framework (Reported to Committee November 2015)				
<p>The Council's VPI call recording software is not PCI compliant as the vendor does not support PCI requirements in its current form.</p> <p>(We confirmed that the Council does not use the PCI compliant implementation from VPI http://www.vpi-corp.com/PCI-Compliance)</p>	<p>The Council will ensure that the chosen call recording software that 'records' conversations in scope of PCI is PCI compliant. (High)</p>	<p>Mark Lumley, Head of ICT</p>	<p>31 March 2016</p>	<p>An upgraded Call Recording System has been installed by the supplier. Some initial work has been completed on the CRM to ensure that when taking a payment call the call recording automatically stops and starts to ensure that we are then PCI compliant. This is currently being tested and bugs on the call recording system are being resolved by the supplier.</p>
<p>We observed that the Adelante PAN capture screen shows the credit card number in plain text while being entered onscreen and there is a CCTV pointing to the screen from the roof.</p> <p>The Camera could view the credit card information of the screen as they are entered in clear text which could result in a breach.</p>	<p>The Council will ensure that only authorised people have access to view the PCI data that is entered on the screen.</p> <p>The Council could add a privacy filter to the screen to block out the camera's view of the screen once the information on which screen has been provided by RSM. (High)</p>	<p>Lee Duffy, Head of Financial Services</p>	<p>30 Sept 2016</p>	<p>A privacy filter has been fitted to the screen in Reception. There is restricted access to the CCTV footage within the Cash Office and it is logged if footage is checked. COMPLETED</p>
<p>No formal PCI roles and responsibilities have been documented</p>	<p>Identify roles and responsibilities that govern the PCI environment and communicate the responsibilities to everyone. (High)</p>	<p>Kathryn Beldon, Director of Finance and Resources.</p>	<p>31 March 2016</p>	<p>This is still under review pending the shared service within ICT. NOT DUE</p>

Property Maintenance (Reported to Committee in February 16)				
<p>There is a significant shortfall in the budget for future property repairs. The Corporate Property Group is reviewing the property portfolio with a view to reducing future liabilities.</p>	<p>The Corporate Property Group to prepare a plan for ensuring maintenance needs of retained properties can be met within the Medium Term Financial Strategy by a programme of disposal or transferring responsibility for maintenance.</p>	<p>Tony Foxwell Senior Building Surveyor / Corporate Property Group</p>	<p>31 March 2016</p>	<p>The Corporate Property Group has been producing a list of the repairs required on the property portfolio until 2023-2024. In line with this, they are also looking at the future strategy for acquisitions and disposals.</p> <p>The Asset Management Plan will be revised once the 2016 -2020 Corporate Plan has been agreed. The new position of Head of Corporate Property will have responsibility for driving this forward.. NOT DUE</p>
Income from Car Parking (Reported to Committee April 2016)				
<p>A reconciliation spreadsheet is maintained to record values of cash removed from the parking pay machines and the audit ticket produced. There are currently significant discrepancies between the values of the audit tickets and the cash removed from these machines.</p>	<p>The Customer Services Team will investigate the differences on the values on the audit ticket and cash collected. Reasons for the variances will be investigated and recorded on the reconciliation.</p> <p>In addition this reconciliation will be reviewed by the Head of Customer Services on a monthly basis with the results of her review recorded to reflect the acceptance of reasons and investigations undertaken</p>	<p>Head of Customer Services/ Parking Manager</p>	<p>31st January 2016</p>	<p>The Parking Manager is now in post and is regularly reviewing the reconciliations. They are completed daily by the Parking Supervisor and reviewed monthly and explanations obtained. One issue has been the failure of the Cash Collection Agents to take the audit ticket. These are being identified and acted upon quicker in order that the ticket can be obtained. COMPLETED</p>

Progress Update on 2014/15 High Priority Recommendations

High Priority Recommendation	Agreed Action	Responsible Officer	Implementation Date	Current Position
Procurement – (Reported to Committee 2014/15)				
<p>1. Revise and update the Procurement Strategy</p> <p>2. Use of Purchase Orders to be increased for all procurement. Improved monitoring arrangements for non-compliance e.g. thresholds</p> <p>3. Where no PO – the Director of Finance & Resources to sign. Quotes over £5k Use of Contracts Finder over £25k Tendering if over £75k or on the Waiver Register</p> <p>4. Update the Contract Register</p> <p>5. Risks Recorded</p>	<p>The Policy would be updated annually and reported to FPP. Report to CMB on the current use of PO's and establish a new regime.</p> <p>Head of Finance to jointly look at increasing the use of PO's reducing the use of purchasing cards.</p> <p>Exceptions to be identified and the Contract Register updated.</p> <p>Issues raised to be out on the Leadership Risk Register.</p>	Corporate Procurement Group	<p>July 16 for new system</p> <p>Sept 16 documents</p>	<p>A report went to S&R in January 2016 to agreed joint working with the London Borough of Sutton. The Contract Standing Orders have been revised and are due to be approved in June 2016 by S&R Committee. This clarifies the thresholds and waiver rules and ensures the Council are compliant with the Procurement Contract Regulations 2015</p> <p>A project plan is in place to develop procurement arrangements with the London Borough of Sutton which includes development of a Procurement Strategy.</p> <p>Use of PO's is now compulsory (within the regime) and there is a significant increase in the use of the system.</p> <p>The Contract Register was reviewed and updated. The new e-tendering system will be live from July and Contract Register will be linked to the system. Procurement risks are reported in the Leadership Risk Register. DUE TO BE COMPLETED SEPTEMBER 2016</p>
Procurement – Agency Staff (Reported to Committee 2014/15)				
<p>1. Planned approach to comply with EU procurement directive</p> <p>2. Added as a risk on Corporate Risk Register</p> <p>3. Procedures should be developed to provide HR with details of agency staff.</p>	<p>It was agreed that initial action would be taken to identify all agency staff and improve governance. Also that a Working Group would be established to review options and make a recommendation.</p>	Agency Working Group	<p>Due to start August 2016</p>	<p>A new process was set up by HR to record and monitor all agency workers employed on a central record.</p> <p>A report went to S&R Committee 24th June 2015 outlining the agreed approach to select a Managed Service Provider from a framework. Matrix SCM was selected and arrangements are in place to implement the new arrangements. All agency staff will have to recruit through this agency as a neutral vend.</p>

<p>4. The Corporate Management Board should consider what options it wishes to follow in the short-term to address the issue of non-compliance with procurement regulations.</p> <p>5. Need a formal process for preparing the outline business cases for the preferred option or options, which can identify costs, savings, benefits and disadvantages in detail to inform a decision by the Board</p>				<p>Training is booked for mid-July and the system will go live on the 1st August 16.</p> <p>HR Department will be responsible for contracting managing the arrangements. DUE TO BE COMPLETED AUG 2016</p>
Payroll (Reported to Committee 2014/15)				
<p>Procedures to be updated to ensure that BACS is authorised prior to submission and in the event no senior officer is available the Chief Executive must be notified</p>	<p>Procedures to be updated</p>	<p>Shona Mason/ Cynthia Gill</p>	<p>Immediately</p>	<p>Procedures were updated and the process is working well. COMPLETED</p>
Post Implementation Review of CRM (Reported to Committee 2014/15)				
<p>It was recommended to stabilise, design, develop, operate and support the existing platform or complete a full implementation of the CRM (2011) with their preference being to stabilise</p>	<p>To establish a Project Board and review options</p>		<p>Immediately</p>	<p>A CRM Project Board has been established to review both short term and long term issues. A halt was placed on any further development. The Board have agreed a scope focusing on both short and long term solutions. ON-GOING</p>

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INTERNAL AUDIT ASSURANCE REPORT

<u>Report of the:</u>	Head of Corporate Risk
<u>Contact:</u>	Gillian McTaggart
<u>Urgent Decision?(yes/no)</u>	N
<u>If yes, reason urgent decision required:</u>	
<u>Annexes/Appendices (attached):</u>	<u>Annexe 1</u> – RSM Internal Audit Annual Report 2015/16 <u>Annexe 2</u> – Annual overview of performance 2015/16
<u>Other available papers (not attached):</u>	

REPORT SUMMARY

This report advises on the internal audit assurance level for 2015/16 and summarises the performance of internal audit for that year.

RECOMMENDATION (S)

Notes

- (1) The Committee is asked to receive the Internal Audit Annual Report for the year ended 31 March 2016 and the review of performance of internal audit for 2015/16.**

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

- 1.1 None for the purposes of this report.

2 Background

- 2.1 The Council's internal audit service is provided by RSM. The Council remain part of the East Surrey Internal Audit Consortium. A separate risk assessment and audit programme is determined for each Authority. An annual audit plan is submitted to the Committee prior to being finalised. The Committee also receives quarterly monitoring reports on progress.

- 2.2 The annual report produced by RSM is attached at Annexe 1 and provides a summary of all internal audit activity for 2015/16 .

- 2.3 There is a requirement for the system of internal audit to be reviewed for effectiveness once a year within Accounts and Audit Regulations and for the findings to be considered by the Committee.
- 2.4 This report covers both the Internal Auditor's assurance report (Annexe 1) and the review of audit performance (Annexe 2).

3 Proposals

- 3.1 The Internal Audit Opinion provided in the annual report by RSM is summarised as follows:-

Head of internal audit's opinion for 2015/16

The organisation has an adequate and effective framework for risk management and governance.

However our work has identified further enhancements to the framework of internal control to ensure that it remains adequate and effective.

- 3.2 Karen Williams, from RSM will attend the meeting to answer any questions on the opinion and the audit programme for 2015/16, and also to explain in detail the rationale behind the opinion.

4 Review of Effectiveness of Internal Audit

- 4.1 As in previous years, the Director of Finance & Resources has made an assessment of the effectiveness of internal audit which has been reviewed at officer level with a summary of that assessment being reported to Audit, Crime & Disorder and Scrutiny Committee.
- 4.2 A detailed overview of performance is shown in Annexe 2. Overall, RSM has provided an effective internal audit service during the year and a number of specialist advisory reviews have been completed which support the council in improving and refining processes The following summary is made of audit performance:-

- 4.2.1 There was strong delivery of the audit programme and most reports have been finalised.
- 4.2.2 There were no reports with a Red Assurance level (no assurance). Three have Amber/Red Assurance, Property Maintenance, PCI Compliance Control Framework and Car Park Income.
- 4.2.3 There were five advisory reviews where specialist auditors from other teams conducted these reviews. Although these do not form part of the end of year opinion, a number of recommendations have been identified from these and action plans are in place to address these issues. The Leadership Team has received a presentation on the action plan for Project Management and Contract Management. An update on the post implementation review of the CRM is provided within the monitoring report also reported to this Committee.
- 4.2.4 Two reports remain in draft Performance Management and Facilities Management Contract Review and data quality is currently in progress,. The majority of recommendations and all high priority recommendations were accepted by management. The follow-up action tracker report is also in draft.

5 Financial and Manpower Implications

- 5.1 The audit programme was delivered within the budget agreed.
- 5.2 **Chief Finance Officer's comments:** The internal audit work has strengthened the Council's governance arrangements. The monitoring of recommendations continues to be a weaker area but action has been agreed to improve this in 2016/17.

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

- 6.1 The legal requirements for audit are set out in the Accounts and Audit Regulations and the service is defined in the Chartered Institute of Public Finance and Accountancy's Code of Practice for Internal Audit in Local Government.
- 6.2 **Monitoring Officer's comments:** None for the purposes of this report

7 Sustainability Policy and Community Safety Implications

- 7.1 None.

8 Partnerships

- 8.1 This is the fourth year of a five year contract. The Consortium includes Mole Valley, Reigate and Banstead; Tandridge; Waverley Borough Council and Surrey Police Authority.

9 Risk Assessment

- 9.1 An effective internal audit service forms a critical part of the Council's risk management arrangements. Significant risks not addressed during the year are reflected in the Annual Governance Statement published in the Financial Statements, which is reported to this committee as a separate item.

10 Conclusion and Recommendations

- 10.1 In view of the adequate assurance level given, the committee is asked to receive the annual report of the internal audit service as set out in Annexe 1.
- 10.2 The Committee is also asked to receive the review of the system of internal control for 2015/16 as set out in Annexe 2.

WARD(S) AFFECTED: (All Wards);



EPSOM & EWELL BOROUGH COUNCIL

Annual internal audit report 2015/2016

April 2016

This report is solely for the use of the persons to whom it is addressed.
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.

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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 solely for the use of the persons to whom it is addressed and for the purposes set out herein. 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 third party which obtains access to this report or a copy and chooses to rely on it (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 you 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 THE ANNUAL INTERNAL AUDIT OPINION

This report provides an annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance statement.

1.1 The opinion

For the 12 months ended 31 March 2016, the head of internal audit opinion for Epsom and Ewell Borough Council is as follows:

Head of internal audit opinion 2015/2016

The organisation has an adequate and effective framework for risk management and governance.

However, our work has identified further enhancements to the framework of internal control to ensure that it remains adequate and effective.

Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

1.2 Scope of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the Audit, Crime & Disorder and Scrutiny Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below.

The opinion does not imply that internal audit has reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. As such, the assurance framework is one component that the board takes into account in making its annual governance statement (AGS).

1.3 Factors and findings which have informed our opinion

We have reported on 17 audits undertaken in year, of these:

- 3 were advisory audits which provided no formal opinion but categorised management actions;
- 5 provided substantial assurance;
- 6 gave reasonable assurance;
- 4 gave partial assurance, which were:
 - Property maintenance (7.15.16)
 - PCI Compliance control framework (8.15/16)
 - Car Park Income (11.15/16)

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

The advisory reviews completed focussed on:

- Review of Anti-Fraud and Anti-Bribery arrangement – healthcheck of core policies to ensure “fraud proof” and in line with legislation.
- Contract management – We identified some instances of good practice contract management within the Council. For example, the presence of a contract register. However, overall there were limited formal contract management processes and controls in place. In particular, we identified challenges around performance reporting on contracts and gaps in accountabilities between those responsible for contract management and sponsors within service areas. In addition, there were no processes in place to ensure that contracts of significant risk were identified and given greater attention. The absence of formal contract management practice leaves the Council exposed to risk and decreases the likelihood of obtaining full value from contractual relationships with third party suppliers. Therefore, our recommendations are around introducing a more structured approach to contract management and investing in improving contract management awareness.
- Project management - Our review found some evidence of good practice project management across the Council. However, this was not consistently applied on many of the projects that we observed during our field work. Our view is that the formal application of project management is in its infancy. In particular, we identified weaknesses in project risk management, governance and accountability. There were also challenges around getting planned projects started in good time to enable delivery within timescales. Overall, we found there is scope to improve ways of working when delivering projects and related change programmes. Our report proposed a set of actions that if taken could bring significant improvements to the management of projects across the Council.

In all of these cases we are aware that the matters raised are being taken forward by management with routine reporting on the latter 2 in particular to the Audit, Crime & Disorder and Scrutiny Committee.

1.4 Topics judged relevant for consideration as part of the annual governance statement

There are no matters that we need to bring to your attention for consideration for inclusion in the Annual Governance Statement.

2 THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines discussed at paragraph 1.3, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

2.1 Acceptance of internal audit recommendations

Management have agreed actions to address all of the findings reported by the internal audit service during 2015/2016.

2.2 Implementation of internal audit recommendations

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made little progress in implementing the agreed actions.

There are 4 high rated actions not yet implemented. These relate to procurement and payroll. We are aware that management action in both of these areas is ongoing.

The medium actions not yet fully addressed also relate to payroll and procurement, as well as data quality and a number of individual areas from 2013/14.

Implementation status by review	Number of actions agreed	Status of management actions			
		Implemented	Implementation ongoing	Not implemented	Superseded
Income streams	3	1	1	-	1
Planning income	3	2	-	-	1
Data quality	5	4	-	1	
Procurement arrangements	6	4	-	-	2
Playhouse – security of income	2	2	-	-	-
Procurement	9	2	6	1	-
Freedom of information	1	1	-	-	-
Payroll	6	2	-	2	2
Emergency planning and compliance	1	1	-	-	-
Follow up	17	4	4	5	4
Total	53	23	11	9	10

Implementation status by management action priority	Number of actions agreed	Status of management actions			
		Implemented	Implementation ongoing	Not implemented	Superseded
High	11	6	3	1	1
Medium	42	17	8	8	9
Total	53	23	11	9	10
		43%	21%	17%	19%

The high rated actions not yet implemented all relate to procurement which we acknowledge is subject to a more detailed action plan, which has been reported to the Audit, Crime & Disorder and Scrutiny Committee and a monitoring report will be made in the Autumn.

2.3 Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

3 OUR PERFORMANCE

3.1 Wider value adding delivery

In the year we have:

- issued 8 local authority news bulletins;
- provided benchmarking within our reports on the number and category of recommendations and assurance opinions across other organisations where appropriate;
- highlighted actions for management throughout our audit reports based on our knowledge and experience in the local government sector to provide areas for consideration;
- used specialists to undertake a review of your project and contract management approach;
- used a specialist to review your compliance with the Payment Card Industry standards;
- provided regular contact and ad-hoc telephone calls and responded to queries from senior staff throughout the year.

3.2 Conflicts of interest

RSM has not undertaken any work or activity during 2015/2016 that would lead us to declare any conflict of interest.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the International Standards for the Professional Practice of Internal Auditing (the Standards).

Under the Standards, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2011 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA).

The external review concluded that “the design and implementation of systems for the delivery of internal audit provides substantial assurance that the standards established by the IIA in the IPPF will be delivered in an adequate and effective manner”. Work is in hand to arrange our next review.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

3.4 Feedback

We have not received any responses to the post assignment surveys issued to management.

3.5 Performance indicators

A number of performance indicators were agreed with the audit committee. Our performance against those indicators is as follows:

Delivery				Quality			
	Target	Actual	Notes (ref)		Target	Actual	Notes (ref)
Audits commenced in line with original timescales	Yes	Yes	1	Conformance with IIA standards	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	100%	44%	2	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit.	Yes	Yes	
Final report issued within 3 days of management response	100%	93%	3	Respond to general enquiries for assistance within two working days	100%	100%	
% of High & Medium actions followed up	100%			Respond to emergencies or notifications of potential fraud within one working day	100%	None received	

Notes

1 – dates for the start of audits were changed at management request.

2 – whilst we met the 10 day target in 44% of cases, we met the 20 day contractual target in 75%

3 – the 3 day deadline was missed by 1 day in 1 case

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions

The organisation has an adequate and effective framework for risk management, governance and internal control.

The organisation has an adequate and effective framework for risk management, governance and internal control.
However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

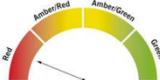
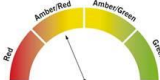
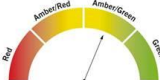
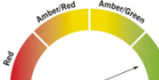
There are weaknesses in the framework of governance, risk management and control such that it could be, or could become, inadequate and ineffective.

The organisation does not have an adequate framework of risk management, governance or internal control.

APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2015/2016

Assignment	Executive lead	Assurance level	Actions agreed		
			H	M	L
Attendance (1.15/16)	Karen Williams	Substantial	-	1	1
Recruitment (2.15/16)	Karen Williams	Reasonable	-	1	5
Review of Anti-Fraud and Anti-Bribery arrangement (3.15/16)	Karen Williams	Advisory	-	-	-
Cash Handling (4.14/15)	Karen Williams	Reasonable	1	3	2
Venues (5.15/16)	Karen Williams	Reasonable	-	1	1
Information Governance (6.15/16)	Karen Williams	Reasonable	-	1	8
Property Maintenance (7.15/16)	Karen Williams	Partial	1	1	2
PCI Compliance Control Framework (8.15/16)	Karen Williams	Partial	3	6	-
Project Management Advisory Review (9.15/16)	Karen Williams	Advisory	-	-	-
Contract Management Advisory Review (10.15/16)	Karen Williams	Advisory	-	-	-
Car Park Income (11.15/16)	Karen Williams	Partial	1	1	1
Fleet Management (12.15/16)	Karen Williams	Substantial	-	-	2
Green Waste Income (13.15/16)	Karen Williams	Reasonable	-	2	1
Payroll (14.15/16)	Karen Williams	Reasonable	-	1	3
Capital Accounting and Fixed Assets (15.15/16)	Karen Williams	Substantial	-	-	-
Software Licensing (16.15/16)	Karen Williams	Reasonable	-	4	2
Performance Management and the implementation of the Corporate Plan (17.15/16)	Karen Williams	Reasonable	-	2	1
DRAFT					
			6	24	29

We use the following levels of opinion classification within our internal audit reports. Reflecting the level of assurance the Council can take:

None	Partial	Reasonable	Substantial
 <p>Taking account of the issues identified, the Council cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>	 <p>Taking account of the issues identified, the Council can take partial assurance that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).</p>	 <p>Taking account of the issues identified, the Council can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).</p>	 <p>Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.</p>

FOR FURTHER INFORMATION CONTACT

Karen Williams

karen.williams@rsmuk.com

Tel 07818002463

**ANNUAL OVERVIEW OF PERFORMANCE OF INTERNAL AUDIT SERVICES BY DIRECTOR
FINANCE & RESOURCES 2015/16**

Introduction

Internal Audit is a statutory function and it is the responsibility of the Council to maintain an adequate and effective system of internal audit.

In accordance with the International Standards (PSIAS) and Regulation (6) of the Accounts and Audit Regulations 2015, the Director of Finance & Resources is required to review the effectiveness of internal audit. This review also forms part of the overall review of the assurance framework for the Annual Governance Statement which provides reliance on upon the effectiveness of the controls in place. This is reported at an End of Year Meeting and to the Audit, Crime & Disorder and Scrutiny Committee.

RSM provides the service as part of the East Surrey Internal Audit Consortium. RSM have provided an Annual Report for 2015/2016 which provides the S151 Officer and the Audit, Crime & Disorder and Scrutiny Committee with an opinion on adequacy and effectiveness of the Council's governance, risk management and controls.

Head of internal audit opinion for 2015/16

The organisation has an adequate and effective framework for risk management and governance.

However our work has identified further enhancements to the framework of internal control to ensure that it remains adequate and effective.

Overview of Performance

	AUDIT	ASSURANCE 2015/6	PREVIOUS ASSURANCE LEVEL	DIRECTION OF TRAVEL
1	Post Implementation Review of CRM (c/f 14/15)	Advisory	N/A	
2	Attendance	Green	N/A	
3	Recruitment	Amber/Green	N/A	
4	Review of Anti- fraud and Anti Bribery Arrangements	Advisory	Non Benefit Fraud Risk Assessment –(14/15) Adequate	↔
5	Cash Handling	Amber/Green	Green (Cash receipting)	↓
6	Venues	Amber/Green	Amber/Green - Income Collection Venues (13/14)	↔
7	Information Governance	Amber/Green	N/A	
8	Property Maintenance (c/f 14/15)	Amber/Red	N/A	↔

AGENDA ITEM 5
ANNEXE 2

9	PCI Compliance Control Framework	Amber /Red	Network Security (12/13) Amber/Green	↓
10	Project Management	Advisory	N/A	↔
11	Contract Management	Advisory	N/A	↑
12	Car Park Income	Amber/Red	Management Car Park Income (12/13) Advisory Ashley Centre Car Park (12/13) Amber/Green	↑
13	Fleet Management	Green	Amber/Green (13/14)	↓
14	Payroll	Amber/Green	Amber/Red	↑
15	Capital accounting and fixed assets	Green	Green (11/12)	↔
16	Green Waste	Amber/Green	Income Collection Green Waste (13/14) Amber/Green	↔
17	Software Licensing	Amber/Green	Software Asset Management (10/11) Amber/Green	↔
18	Performance Management	Draft –Amber/Green	Green	↓
19	Facilities Management Contract Management	Draft - Advisory	FM Contract (13/14) Amber/Red	
20	Data Quality	WIP	Amber/Red	
21	Follow up	Adequate	Adequate	↔
22	Bus Grant	Signed off	Signed off	

Audit Contract	Baker Tilly took over RSM Tenon in August 2013 combining the two businesses. They have rebranded again and are no RSM Tenon.																																												
Delivery of the Audit Contract	<p>The Audit Strategy 2015/16 was agreed on 9th April 2015, by the Audit, Crime & Disorder and Scrutiny Committee. This was based on the Council's risk profile and where assurances are required. A total of 222 audit days were planned.</p> <p>A total of 18 reviews plus 2 carried forward from 2014/15 were completed (excluding bus grants and smaller bodies). The two reports were carried forward from 2014/15, were the Post implementation review of CRM and Property Maintenance.</p> <p>Currently two reports are in draft and one is work in progress. Any work not completed will be transferred into 2016/17.</p> <p>Performance Management – Draft Facilities Management Contract Review – Draft Follow up Action Tracking Report - Draft Data Quality – WIP</p>																																												
Audit Quality, Monitoring Arrangements and PI's	<p>Regular contract monitoring meetings are in place and a regular monitoring report is issued.</p> <p>The PI's for 2015/16 are; Audits commenced in line with original timescale - 100% Drafts report issued within 10 days of debrief meetings – 44% Final report issued within 3 days of management response – 93% % of High and Medium recommendations followed up – 100%</p> <p>No significant issues have been raised by Managers during 2015/16, although a number have been concerned over delays in receiving the draft report after the work has been completed.</p>																																												
Consortium	The members of the Consortium met in September 2015. No major issues were identified. As the contract is entering into the 4 th year of a 5 year contract, a meeting will be held shortly to discuss future arrangements.																																												
Audit Findings 2015/16	<p>The following assurances were given;</p> <table border="1" data-bbox="336 1442 1406 1917"> <thead> <tr> <th>Assurance Levels</th> <th>No in 2015/16</th> <th>No. in 2014/15</th> <th>No in 2013/14</th> </tr> </thead> <tbody> <tr> <td>Red</td> <td>0</td> <td>2</td> <td>1</td> </tr> <tr> <td>Amber/Red</td> <td>3</td> <td>2</td> <td>1</td> </tr> <tr> <td>Amber/Green</td> <td>8</td> <td>4</td> <td>7</td> </tr> <tr> <td>Green</td> <td>3</td> <td>7</td> <td>6</td> </tr> <tr> <td>WIP</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Advisory</td> <td>5</td> <td>2)</td> <td>1</td> </tr> <tr> <td>Follow up</td> <td>1 (draft)</td> <td>1</td> <td>1</td> </tr> <tr> <td>Sub Total</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bus Grants & smaller bodies</td> <td>Signed off</td> <td>Signed off</td> <td>Signed off</td> </tr> <tr> <td>Total</td> <td>21</td> <td>19</td> <td>18</td> </tr> </tbody> </table>	Assurance Levels	No in 2015/16	No. in 2014/15	No in 2013/14	Red	0	2	1	Amber/Red	3	2	1	Amber/Green	8	4	7	Green	3	7	6	WIP	1	1	1	Advisory	5	2)	1	Follow up	1 (draft)	1	1	Sub Total				Bus Grants & smaller bodies	Signed off	Signed off	Signed off	Total	21	19	18
Assurance Levels	No in 2015/16	No. in 2014/15	No in 2013/14																																										
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WIP	1	1	1																																										
Advisory	5	2)	1																																										
Follow up	1 (draft)	1	1																																										
Sub Total																																													
Bus Grants & smaller bodies	Signed off	Signed off	Signed off																																										
Total	21	19	18																																										

<p>Follow up Recommendations</p>	<p>As with previous years the process for following up implementation needs to be strengthened. Some improvements have been made as RSM are tracking recommendations throughout the year and also the implementation of high priority recommendations is being reported regularly to Committee. In addition Managers are expected to attend Committee if concerns are raised over their reports.</p> <p>Additional internal resources will be available in 2016/17 to improve tracking.</p>
<p>Feedback from External audit</p>	<p>The External Auditors (Grant Thornton) have not identified any weaknesses in internal audit which impact on their audit approach.”</p>
<p>Role of the Audit, Crime & Disorder and Scrutiny Committee</p>	<p>In meeting their requirements as an Audit Committee they:-</p> <ul style="list-style-type: none"> -receive regular monitoring reports and the Annual Audit Strategy -are independent to management -consider an annual report -review external audit report action plans -review the Annual Governance Statement - receive the outcome of specialist reviews
<p>Additional Services</p>	<p>RSM have brought in a number of specialists from other areas of their business to support the core team, which has been extremely beneficial.</p>
<p>Summary of Areas for Improvement in 2015/16</p>	<p>Continuing to improve the implementation and monitoring of recommendations.</p> <p>To reduce delays in issuing draft reports after the debrief meeting has been held.</p> <p>To continue to assist the Council in strengthening governance arrangements through agreed action plans, through reviews planned in 2016/17.</p>
<p>Overall Summary</p>	<p>RSM have completed a number of specialist reviews during the year including; a post implementation review of the CRM, project management, contract management and facilities management contract management. These are advisory reviews and they have assisted us in agreeing action plans to address a number of governance and control issue in these areas.</p>

PLANNED AUDIT FEE FOR 2016/17

<u>Report of the:</u>	Director of Finance and Resources
<u>Contact:</u>	Kathryn Beldon
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	<u>Annexe 1</u> - Planned Audit Fee for 2016/17
<u>Other available papers</u> (not attached):	None Stated

REPORT SUMMARY

This report sets out to propose audit fee for 2016/17.

RECOMMENDATION (S)

That the Committee receives and notes the Planned Audit Fee for 2016/17.

Notes

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

1.1 There are no direct implications for the purpose of this report.

2 Background

2.1 Grant Thornton is the Council's independent external auditors appointed by the Audit Commission. The main contacts are Elizabeth Oliver (Engagement Lead), Ade Oyerinde (Engagement Manager) and Ronald Kiwanuka (In Charge Manager).

3 Proposals

3.1 Officers are satisfied that the Audit fee addresses the key changes which need to be noted.

3.2 The Planned Audit Fee for 2016/17 is £54,481 as outlined in Annexe 1.

4 Financial and Manpower Implications

4.1 Main audit fees will be £44,708.

4.2 Grant Certification will be £9,773.

4.3 **Chief Finance Officer's comments:** The audit fees can be contained within the budget agreed for 2016/17.

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 Audit Bodies issued by the Audit Commission.

5.2 **Monitoring Officer's comments:** none for the purpose of this report.

6 Sustainability Policy and Community Safety Implications

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

7 Partnerships

7.1 None for the purpose 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 fee letter as attached in Annexe 1.

WARD(S) AFFECTED: N/A

Frances Rutter
Chief Executive
Epsom and Ewell Borough Council
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KT18 5BY

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20 April 2016

Dear Frances

Planned audit fee for 2016/17 - Epsom and Ewell Borough Council

The Local Audit and Accountability Act 2014 provides for the introduction of a new framework for local public audit. Under these provisions, the Audit Commission closed in March 2015 and the Secretary of State for Communities and Local Government delegated some statutory functions from the Audit Commission Act 1998 to Public Sector Audit Appointments Limited (PSAA) on a transitional basis.

PSAA will oversee the Commission's audit contracts for local government bodies until they end in 2018, following the announcement by the Department for Communities and Local Government (DCLG) that it will extend transitional arrangements until 2017/18. PSAA's responsibilities include setting fees, appointing auditors and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the [PSAA website](#).

Scale fee

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timescales'.

There are no planned changes to the overall work programme for local government audited bodies for 2016/17, bar the adoption of new measurement requirements for the Highways Network Asset.

CIPFA/LASAAC is expected to confirm, subject to consultation, that the 2016/17 Code of Practice on Local Authority Accounting in the United Kingdom will adopt the measurement requirements of the CIPFA Code of Practice on Highways Network Asset.

PSAA have determined that there is no reliable and equitable way of establishing the volume of additional audit work, and therefore fees required, at each applicable local authority to gain assurance over the new financial reporting requirements. Therefore, fees for the additional work identified by auditors in 2016/17 will be subject to approval by PSAA under the normal fee variations process. PSAA expect that 'the additional fees for a highway authority will be in the range of £5,000 to £10,000, where authorities are able to provide the information required, and the auditor is able to rely on central assurance of the models in use.

PSAA have proposed that 2016/17 scale audit fees (excluding work completed on the Highways Network Asset) are set at the same level as the scale fees applicable for 2015/16. The Council's scale fee for 2016/17 has been set by PSAA at £44,708.

The audit planning process for 2016/17, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

Scope of the audit fee

Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for auditors from April 2015. Audits of the accounts for 2016/17 will be undertaken under this Code, on the basis of the work programme and scale fees set out on the [PSAA website](#). Further information on the NAO Code and guidance is available on the [NAO website](#).

The scale fee covers:

- our audit of your financial statements
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion)
- our work on your whole of government accounts return (if applicable).

As outlined above, the fee for any additional work in respect of the Highways Network Asset is not included in this fee.

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

Value for Money conclusion

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its guidance for auditors on value for money work in November 2015. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Certification of grant claims and returns

The Council's indicative grant certification fee has been set by PSAA at £9,773. This fee covers the cost of certifying the housing benefit subsidy claim only and is based on final 2014/15 certification fees.

The indicative fee for certification work is based on the expectation that you provide the auditor with complete and materially accurate claims and returns, with supporting working papers, within agreed timeframes.

Assurance engagements for other schemes will be subject to separate arrangements and fees agreed between the grant-paying body, the Council and ourselves

Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2016	11,177
December 2016	11,177
March 2017	11,177
June 2017	11,177
Total	44,708
<hr/>	
Grant Certification	
March 2017	9,773

Outline audit timetable

We will undertake our audit planning and interim audit procedures in early 2017. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VfM conclusion will be completed by July 2017 and work on the whole of government accounts return by August 2017.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	Early 2017	Audit plan	The plan summarises the findings of our audit planning and our approach to the audit of the Council's accounts and VfM.
Final accounts audit	June / July 2017	Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VfM work for the consideration of those charged with governance.
VfM conclusion	March – May 2017	Audit Findings (Report to those charged with governance)	As above

Whole of government accounts	August 2017	Opinion on the WGA return	This work will be completed alongside the accounts audit.
Annual audit letter	September 2017	Annual audit letter to the Council	The letter will summarise the findings of all aspects of our work.
Grant certification	December 2017	Grant certification report	A report summarising the findings of our grant certification work

Our team

The key members of the audit team for 2016/17 are:

	Name	Phone Number	E-mail
Engagement Lead	Elizabeth Olive	020 7728 3329	Elizabeth.l.olive@uk.gt.com
Engagement Manager	Ade Oyerinde	020 7728 3332	ade.o.oyerinde@uk.gt.com
In Charge Auditor	Ronald Kiwanuka	020 7728 3287	Ronald.kiwanuka@uk.gt.com

Additional work

The scale fee excludes any work requested by the Council that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed and a detailed project specification and fee agreed with the Council.

Quality assurance

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact Paul Dossett, our Public Sector Assurance regional lead partner, via paul.dossett@uk.gt.com.

Yours sincerely



Elizabeth Olive

Engagement Lead

For Grant Thornton UK LLP

ANNUAL GOVERNANCE STATEMENT 2015/16

<u>Report of the:</u>	Head of Corporate Risk
<u>Contact:</u>	Gillian McTaggart
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	
<u>Annexes/Appendices (attached):</u>	<u>Annexe 1</u> - Draft Annual Governance Statement 2015/16
<u>Other available papers (not attached):</u>	None

REPORT SUMMARY

This report seeks the Committee's formal approval of the Annual Governance Statement and the arrangements made for its preparation as part of the 2015/16 financial statements.

RECOMMENDATION (S)

That the Committee:

- (1) Confirms the adequacy of the arrangements made for preparing the Annual Governance Statement (AGS).**
- (2) Considers and endorses the 2015/16 AGS prior to it being certified by the Chief Executive and the Chair of Strategy & Resources.**
- (3) Due to the Strategy & Resources Committee being held on 21st June 2016, the Director of Finance and Resources in consultation with the Chair of Strategy & Resources be given delegated authority to make any amendments to the draft AGS as recommended by the Committee.**

Notes

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 underpins everything that the Council does and supports the core values of openness and integrity.
- 1.3 The Committee's terms of reference covers the responsibility for review and approval of the Annual Governance Statement.

2 Background

- 2.1 The Council's governance arrangements aim to ensure that its sets and meets objectives. It acts lawfully, open and honestly. All monies and resources are accounted for, safeguarded and used economically, efficiently and effectively.
- 2.2 The Accounts and Audit (England) Regulations 2011 require that councils produce a statement to cover their whole internal control environment, both financial and non-financial. The Annual Governance Statement is designed to provide assurance concerning our governance arrangements.
- 2.3 The Annual Governance Statement provides an overview of the Council's key governance systems and explains how they are tested and the assurances that can be relied upon to show those systems are working effectively. It also identifies opportunities to identify areas of improvement.

3 Proposals

- 3.1 The Framework "Delivering Good Governance in Local Government" published by CIPFA in association with SOLACE in 2007 sets the standards for Local Authority governance in the UK. This Framework was reviewed in 2012 and an addendum issued providing further advice to encourage governance standards are the best.
- 3.2 The Council's governance framework comprises the system, processes, culture and values which direct and control it and through which it accounts to, engages with and leads the community. The Local Code of Corporate Governance was updated and approved by Strategy and Resources Committee on 12 November 2013. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.
 - The work of internal and external audit
 - The Risk Management framework

- Corporate Assurance Framework
 - Arrangements for Business Continuity
 - Performance Management Framework
 - Divisional Assurance Statements completed annually by the Heads of Service
- 3.3 At least once a year a review must take place of the effectiveness of the systems of internal control. It is designed to manage risk at a reasonable level. The Council cannot eliminate all risk of failure to achieve policies and objectives and therefore can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risk of achievements of the Council's aims and objectives. To evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.
- 3.4 The Annual Internal Audit Report for the year ended 31 March 2016, which is reported in more detail in a separate report to this Committee, forms a key part of corporate governance. For 2015/16, based upon and limited to the work performed, the organisation has an adequate and effective framework for risk management and governance. However, our work has identified further enhancements to the framework of internal control to ensure that it remains adequate and effective.
- 3.5 The Governance Framework has been in place for the year ended 31 March 2016. The Annual Governance Statement will be considered by the Strategy and Resources Committee as part of the approval of the Statement of the Accounts.
- 3.6 The significant control issues identified within the 2014/15 Annual Governance Statement are listed in the table below with the agreed action and the current status. A number of issues have been rolled forward into the 2015/16 Annual Governance Statement.

Significant Control Issues from 2014/15 AGS

Issue	Agreed Action	Current Status
Financial Pressures - The Council continues to be at risk of budgetary cuts and increase reliance on income streams.	A new medium term financial strategy support by a 4 year cost reduction plan is in place.	Included in 2015/16 AGS due to the ongoing financial pressures.
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 issues.	Although a number of issues are being addressed this has been rolled forward to 2015/6 to ensure work is refined and the impact monitored.

Issue	Agreed Action	Current Status
<p>Procurement – the Council is at risk of non-compliance and legislation and Contract Standing Orders.</p>	<p>An independent review of procurement capacity will be completed and the officer led Procurement Group will be established to implement agreed actions.</p>	<p>Rolled forward to 2015/16 The review identified a number of actions which are being addressed through joint working with the London Borough of Sutton and updated Contract Standing Orders and this is included in 2015/16 AGS.</p>
<p>Managing Resources – the Council has limited resources and skills to deliver improvements.</p>	<p>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.</p>	<p>The Leadership Team development programme has been completed although there remain issues with the resources available to deliver savings and efficiencies. This is included in 2015/16 AGS.</p>
<p>Performance Management – the current framework does not produce the information to address and measure key targets.</p>	<p>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.</p>	<p>The new PI's have been agreed and new framework will be in place for the autumn committee cycle. This is included in 2015/16 AGS.</p>
<p>Information Governance – the Council need to ensure that the mandatory training is complete and all staff are aware of the policies.</p>	<p>Policies have been updated and training provided to all staff.</p>	<p>The Information Governance Action Plan is regularly reviewed by the Corporate Governance Group.</p>
<p>Homelessness – the rising cost of homelessness has resulted in significant increased budgetary constraints.</p>	<p>A number of initiatives have been agreed by the relevant committee to reduce expenditure including the introduction of a Private Sector Leasing Scheme, Residential Property Fund and the refurbishment on an existing property to provide temporary accommodation.</p>	<p>- -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 Dec 2015. This is included in 2015/16 AGS.</p>
<p>Fraud- fraud training and awareness needs to be provided to all staff.</p>	<p>Training was scheduled but delayed due to other corporate training. Policies have been updated and drafted.</p>	<p>The policies to be agreed by committee and training rolled out in 2016.</p>
<p>Transparency – The Council have not met all the requirements of the Transparency Agenda.</p>	<p>An action plan was agreed in 2015/16 and a number of actions completed. Joint working with the London</p>	<p>This is included within 2015/16 AGS in meeting procurement regulations.</p>

Issue	Agreed Action	Current Status
	Borough of Sutton will ensure that the Council is compliant with the Transparency Agenda.	

4 Financial and Manpower Implications

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

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 The AGS is a statutory requirement as set out in Regulation 4(2) of the Accounts and Audit Regulations 2011. In addition guidance for the review was issued by CIPFA / SOLACE in 2007, updated 2012.

5.2 External Audit will review the statement as part of the Audit of the 2015/16 financial statements

5.3 The Annual Governance Statement must be included with statement of accounts.

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

6 Sustainability Policy and Community Safety Implications

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

7 Partnerships

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

8 Risk Assessment

8.1 The completion of the Annual Governance Statement ensures the Council's compliance with the Accounts and Audit Regulations and ensures effectiveness of the system of internal control encompassing internal audit and the role of the Scrutiny Committee as an Audit Committee.

8.2 The Annual Governance Statement forms an integral part of the corporate governance arrangements.

8.3 The significant control issues identified in the Annual Governance Statement reflect the generally high risk to the delivery of public services during a period of recession and funding cuts.

9 Conclusion and Recommendations

- 9.1 Members of the Committee are asked to confirm the adequacy of the arrangements for the compilation of the Annual Governance Statement.
- 9.2 The AGS should reflect major risks, provide an accurate representation of arrangements in place during the year and highlight areas for improvement.
- 9.3 Responsibility for authorising the statement lies with the Chief Executive and the Chairman of the Strategy and Resources Committee. The Committee normally endorse the AGS prior to it being reported to the Strategy & Resources Committee. However due to a change in dates, the Strategy & Resources Committee are meeting earlier on 21st June 2016 in advance of this meeting.
- 9.4 It is recommended that delegated authority be given to the Director of Finance & Resources in conjunction with the Chair of Strategy & Resources to make any amendments as recommended by Committee to the Draft AGS.

WARD(S) AFFECTED: (All Wards);



**EPSOM AND EWELL BOROUGH COUNCIL
DRAFT ANNUAL GOVERNANCE STATEMENT – 2015/2016**

Scope of responsibility

1. Epsom and Ewell Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Epsom and Ewell Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, Epsom and Ewell Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
3. Epsom and Ewell Borough Council has adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework, "Delivering *Good Governance in Local Government*". This statement explains how Epsom and Ewell has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2011 and accompanies the 2015-16 Final Accounts. The Annual Governance Statement is subject to review by the Audit, Crime & Disorder and Scrutiny Committee and the Strategy & Resources Committee when it considers the Statement of Accounts.

The purpose of the governance framework

4. The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
5. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Epsom and Ewell Borough Council's policies, aims and objectives,

to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

6. During 2015/16 the Council has worked to strengthen a number of governance arrangements which will continue into 2016/17 including procurement, project management, contract management and agency procurement.
7. The organisational changes implemented on the 1st April 2016 continue to be established through the Leadership Team and further organisational development and cross organisational projects. The work during 2015/16 will continue to be embedded in 2016/17 to deliver service improvements and the new key priorities.
8. The efficient use of resources is an overarching priority with projected budgetary gaps over the medium term due to cuts in government funding.
9. The governance framework has been in place at Epsom and Ewell Borough Council for the year ended 31 March 2016 and up to the date of approval of the Annual Report and Statement of Accounts.

Sources of Assurance
<ul style="list-style-type: none">▪ During 2015/16 the Council has been working towards a new Corporate Plan (2016-2020) which was adopted in April 2016.▪ The Council has four new priorities for the Borough; Keeping the Borough Clean and Green, Supporting the Community, Managing Resources and Supporting Businesses & the Local Economy.▪ The behaviour of Councillors is regulated through the Code of Conduct supported by a number of protocols.▪ The Council's has adopted a code of conduct for members and co-opted members and has in place arrangements to meet the requirements under section 27 of the Localism Act.▪ Employees are subject to a Code of Conduct and a number of specific policies as set out by Human Resources.▪ Policy and decision making is facilitated by a framework of delegation set out in the Constitution.▪ Risk Management Framework covers strategic risk management, to identify corporate risks, assess the risks for likelihood and impact, identify mitigating controls and allocate responsibility for those controls.▪ The Council maintains and reviews a Leadership Risk Register and Service Risks. Risk Management awareness is built into the Council's training programme. The Corporate Governance Group also has a role in embedding risk management across the authority.▪ The Director of Finance & Resources is designated as the responsible officer for administration of the Council's financial affairs under section 151 of the Local Government Act 1972. This includes ensuring the lawfulness and financial prudence of decision making, providing advice, particularly on financial impropriety, publicity and budget issues, giving financial information.▪ The Director of Finance & Resources meets her financial responsibilities and ensures fully effective financial management arrangements are in place by

attending key meetings where significant financial issues are discussed, and has a key role in the Leadership Team. She reports to the Chief Executive. This role meets the requirements Statement on the role of the Chief Financial Officer in Local Government and is a key role of good governance.

- The Audit, Crime & Disorder and Scrutiny Committee carries out the role of an Audit Committee as identified in CIPFA's "Audit Committees – Practical Guidance for local authorities.
- The Council has in place an approved Whistleblowing Policy for investigating complaints from members of the public and established anti-fraud and corruption arrangements.
- The Monitoring Officer has a legal obligation duty to ensure the lawfulness and fairness of decision-making.
- The Council has in place a Corporate Equality Scheme 2011–2016 to meet the Council's statutory duties to make sure all services and activities are available to all those in the Borough.
- The Customer Charter sets out standards of services that residents can expect to receive.
- The Council has a Team Strategy (2012-2016) which supported the previous Corporate Plan for the delivery of people management aims and objectives , which will be updated into an Organisational Development Strategy (2016-2020) to support the new Corporate Plan
- The Council has IIP accreditation.
- During 2015/16 the Council is in the process reviewing its performance management framework in light of changes to its key priorities. As a result the performance management information was not produced for the final quarter of the year. The new performance indicators will be reported to the relevant committee. The Audit, Crime & Disorder and Scrutiny Committee will continue to monitor indicators not met.
- The Council's Consultation Strategy 2012-2016, which supports the Council in its duty to provide information, consult and involve the community.
- The Council continues to develop a range of partnership arrangements and has reviewed the corporate governance arrangements for priority partnerships and has an action plan in place.
- The Council has adopted corporate complaints systems. Major programmes and projects are monitored and reported to the Leadership Team providing an oversight of the resources required and deliverability of projects

Review of effectiveness

10. Epsom and Ewell Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Leadership Team within the authority, who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report and also by other reports issued by the External Auditor and other review agencies and inspectorates.

Assurance Received

- The senior management was restructured in April 2015 with the formation of two directorates and a Leadership Team. This is a decision making body who meet fortnightly The Statutory Officers Group meet on alternative fortnights.
- The Head of Internal Audit's Annual Report is presented to the Audit, Crime & Disorder and Scrutiny Committee, the Head of Internal Audit's opinion is that "there were adequate and effective risk management and governance. Our work identified further enhancements to the framework of internal control to ensure it remains adequate and effective. Weaknesses were identified in reviews of Property Maintenance, PCI compliance control framework, and Car Park Income."
- The Risk Management Framework was reported to the Audit, Crime & Disorder and Scrutiny Committee in November 2015, who is responsible for monitoring and reviewing the Council's risk management arrangements.
- The Heads of Service complete annual self-assessments (Divisional Assurance Statements) of the processes and controls they have in place to allow them to achieve their service objectives. This identifies a range of service risks used to complete the Service Risk Register.
- 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..
- Local Ombudsman Report on complaints received.
- The Audit, Crime & Disorder and Scrutiny Committee produce an Annual Report.
- Financial assurance from budget targets report and Quarterly Revenue and Capital Monitoring Reports. Each service has savings targets based on controllable expenditure built into 4 year cost reduction plan.
- Register of pecuniary interests.
- Fraud Risk Assessment.
- Pay Award and Pay Policy statement 2016/17.
- Emergency Planning and Business Continuity Plans.
- Annual compliance with the Public Sector Network (PSN) Code of Connection for ICT Security.
- As part of the Council's policy on transparency and openness, information on financial spend is publically available.
- Work has been undertaken to raise the awareness of information governance risks, policies have been updated and mandatory training has been rolled out to all staff in 2015/166.
- All committee reports have been seen by the Chief Finance Officer and the Monitoring Officer.

11. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit, Crime & Disorder and Scrutiny Committee, Corporate Risk Group, Corporate Governance Group and Corporate Management Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

12. The following significant internal controls have been identified:-

Significant Governance Issues				
No	Issue	Action	Lead Officer	Date
1	Public Sector funding reductions and on-going financial pressures	Due to in-year savings a small underspend occurred in 2015/16. Finance will continue to work with managers to reduce costs and deliver the longer term requirements detailed in the Medium Term Financial Strategy and supported by the 4 year cost reduction plan.	Director of Finance & Resources & Leadership Team	Mar 17
2	Lack of staffing and resources due to budget pressures and legislative changes, impacting on the changes required to deliver savings and efficiencies and the impact on delivering core services.	<p>The prioritisation of resources through the Corporate Projects List And implementation these key projects to improve efficiencies.</p> <p>Implement recommendations from the light touch DMA Review and LGA Peer Review.</p> <p>Agree an Organisational Development Strategy 2016-2020 to support the Corporate Plan</p> <p>Conduct a staff survey and review the outcome.</p> <p>One Team Staff Forum and Manager's Huddle</p>	Leadership Team	<p>Mar17</p> <p>March 17</p> <p>Nov 16</p> <p>Mar 17</p> <p>Sept 16</p>
3	The Council has been through a period of change and a number of corporate governance issues have been addressed although	Address issues through the action plans for the corporate groups covering -Corporate Governance - Procurement	Corporate Groups	Action Plan for each Group

	there is further work to refine processes and procedures and monitor the impact of these changes.	-ICT Customer Focus -Economic Vitality -Corporate Property.		
4	Although some work has been undertaken in 2015/16, the Council is not fully compliant with the Procurement Regulations Act and the Transparency Agenda.	Updated Contract Standing Orders to be approved in June 2016. Progress joint working with the London Borough of Sutton which will ensure we are compliant with PCR 2015 and the transparency agenda. It will also provide access to procurement expertise, provide an up to date contract register and detailed spend analysis.	Procurement Working Group	July 16
5.	A new performance framework needs to be developed to support the new Corporate Plan.	New PI's have been agreed and a new performance management framework is being developed for the autumn committee cycle	Director of Finance & Resources	Nov 16
6.	There are a number of weaknesses in the control framework impacting on PCI (Payment Card Industry) compliance.	An action plan was agreed to be implemented by September 2016 and will be audited in November 2016.	Head of ICT	Sept 16
7.	The cost of Homelessness continues to rise adding to financial pressures	A number of initiatives have been agreed by the relevant committee to reduce expenditure including the introduction of a Private Sector Leasing Scheme, Residential Property Fund and the refurbishment on an existing property to provide temporary accommodation.	Head of Housing and Env Services	March 17
8.	All decisions are not properly reported to Committee and reports are of inadequate standard.	Delegated authorities are updated and training to all managers on writing reports and processes	Monitoring Officer	Sept 16
9.	Lack of assurance that the Council have robust arrangements, appropriate approval, and adequate controls in place for the	To review the processes and procedures for recording, collecting and monitoring of all monies due and ensuring there is adequate evidence of	Head of Place Development	Dec 16

	collection of CIL and S106 monies	compliance.		
10.	Fraud training and awareness needs to be provided to all staff	Training will be scheduled for 2016	Corporate Governance Group	Dec 16
11.	Health & Safety Risks are not effectively managed	The Leadership Team to ensure that the new risk assessments are being completed in all areas and appropriate action taken to reduce the risks.	Leadership Team	Dec 16

10. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

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Chair of Strategy and Resources & Chief Executive on
Behalf of Epsom and Ewell Borough Council

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2015/16 COMMUNITY SAFETY PARTNERSHIP REVIEW REPORT

<u>Report of the:</u>	Chief Executive
<u>Contact:</u>	Kelvin Shooter
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	N/A
<u>Annexes/Appendices (attached):</u>	<u>Annexe 1</u> - CSP Strategy and Action Plan 2015/16
<u>Other available papers (not attached):</u>	None

REPORT SUMMARY

This report informs the Committee of the performance of the Epsom & Ewell Partnership (CSP) for the year 2015/16.

RECOMMENDATION (S)

Notes

- (1) **The Committee is asked to note and comment on the performance of the CSP over the year 2015/16 including its role and financial position.**

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

- 1.1 The Corporate Plan 2016/20 looks to make the Borough a safe, secure and pleasant place to live, work, conduct business and study. The CSP strategy and the work of its statutory and non statutory partners involved in community safety seek to achieve the same vision and objectives through the partnership.

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 Police Reform and 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. Following 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 end of year appraisal on the position and performance of the CSP.

3 2015/16 Strategy and Action Plan.

- 3.1 Under the relevant legislation the CSP is required to produce an annual strategy and action plan (SAP). The one for 2015/16 can be found in [Annexe 1](#).
- 3.2 The SAP meets the statutory requirements and was devised to be a realistic interpretation of what the CSP was able to deliver given its capabilities and resources.
- 3.3 The sub groups of the CSP that consist of the 'Community Incident Action Group' and the 'Joint Action Group' continue to be effective vehicles for a partnership approach to dealing with community safety issues relating to individuals and areas in the Borough.

4 Proposals

- 4.1 At the end of 2015/16 the CSP is in a position to maintain itself as a viable entity in both its financial and administrative capabilities to meet the statutory requirements placed upon it. At the current rate of depletion of its reserves the CSP would be able to remain sustainable for the next 8 to 10 years.

- 4.2 There has been a continued challenge with engaging partners who have a statutory interest or are not required in a statutory capacity but have a vested interest in community safety matters. This is not to say that these partners are not engaged in community safety activities but with reducing resources available to the CSP and resource restrictions in their own organisations they are engaged in activities on an individual basis devised to meet their own business needs.

5 Financial and Manpower Implications

- 5.1 The CSP held a reserve of £80,749.00 at the end of 2015/16.
- 5.2 During the course of 2015/16 the CSP spent £17,020.00 and received £8,287.00 income.
- 5.3 The CSP is administered by an officer one day a week paid for from the CSPs residual funds. The Council provides a further four days a week to cover administration of community safety obligations and associated project work.
- 5.4 **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 of the CSP is legislated for in the following Acts of Parliament;
- The Crime & Disorder Act 1998
 - The Police & justice Act 2006
 - The Police Reform & Social Responsibility Act 2011
 - The Anti-Social Behaviour, Crime & Policing Act 2014.
- 6.2 **Monitoring Officer's comments:** Whilst it seems clear that the declining resources directly available to the Community Safety Partnership, and many of the partners, are having an impact on the work of the CSP, we still have statutory duties to fulfil, and must ensure that we find ways of working with our partners to meet those obligations.

7 Sustainability Policy and Community Safety Implications

- 7.1 As described within this report.

8 Partnerships

- 8.1 The CSP is by definition a partnership of which the Council is a statutory member. Historically the Council has fulfilled the role as facilitator to the CSP and provides additional resources for the administration beyond that available to the CSP.
- 8.2 The CSP will continue to seek wider partnerships with other agencies or other Surrey Districts or Boroughs in an attempt to strengthen its position and add value to its impact within the Borough.

9 Risk Assessment

- 9.1 The strategic direction of the CSP will, for the coming years, allow its current resources to meet its financial and legal obligations.
- 9.2 The position as stated in 4.1 is dependent upon spend and income forecasts based upon current activity. Should such factors as changes to Central Government requirements of CSPs, the need to conduct Domestic Homicide Reviews and agreed funding intervention by the CSP in community safety issues, the forecast for sustainability would need to be revised.

10 Conclusion and Recommendations

- 10.1 The CSP over the course of 2015/16 has attempted to realign its aspirations and expectations to its resources, capabilities and challenges faced by its partners.
- 10.2 Whilst its ability to be a pro-active agency has reduced it is still a useful vehicle in bringing together partners and agencies to deal with community safety issues as they arise.

WARD(S) AFFECTED: (All Wards);

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 Behaviour¹

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)

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 £78,556.

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(to CSP)	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.	£100	One new Pastor training supported. June 15. Discussions with CCG to evaluate the use of pastors in assisting with A&E waiting areas.
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.	None	No progress this year. Awaiting decision from SCC Children's services on their involvement with this scheme.
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.	£1,377	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.	Prevent grant of £7,500 awarded by the Home Office. Pooled with D&Bs and SCC to provide a county wide risk assessment and training of public interfacing staff.
To retain governance of the Surrey Supporting Families programme and provide logistical support for the programme staff working in Epsom & Ewell	CSP/EEBC/SCC	Qualifying families are identified and receive the benefits of the programme in line with local and county targets	None.	Targets met for numbers of families. Reductions achieved in ASB/crime from the families involved in the scheme.
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	CIAGs conducted on a monthly basis pulling together multi-agency partners to consider
To consider areas or locations that are identified as ASB/crime concern with a view to a reduction in	CSP admin/ Agency JAG called by.	Identified areas show a reduction in ASB/crime	£3.5K CSP and £780 from SCC Local	Two estates were identified as ASB/crime hotspots and JAGs convened accordingly. £6K was applied for from the

incidences of ASB/crime (JAG)			Committee	PCC and has been used for youth provision and physical enhancements to estates.
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REVIEW OF CCTV PROVISION

<u>Report of the:</u>	Chief Executive
<u>Contact:</u>	Kelvin Shooter
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices (attached):</u>	<u>Annexe 1</u> - Location of Epsom Town Centre CCTV cameras. <u>Annexe 2</u> - Location of Ewell Village CCTV cameras. <u>Annexe 3</u> - Location of Stoneleigh Broadway CCTV cameras.

Other available papers (not attached):

REPORT SUMMARY

The Council operates Closed Circuit Television (CCTV) in a number of public locations and premises used by the public. This report describes that service provision, outlines its financial and legal implications, and suggests that the Council's use of CCTV be reviewed at the earliest opportunity.

RECOMMENDATION (S)

That the Committee:

- (1) Receive the report on CCTV.**
- (2) Agrees to undertake a full review of CCTV usage by the Council, in order that recommendations can be made to other relevant committees.**

Notes

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

1.1 There are no specific corporate plan actions in respect of CCTV in 2016/2017. The provision of Town Centre (Streetscene) CCTV falls within the 2016/20 Key Priority of 'Supporting Businesses and our Local Economy'. It also contributes to Supporting our Community, and a review of CCTV provision could also aid us in Managing our Resources.

2 Background

2.1 The provision of CCTV by the Council falls into four categories, and is managed by four different services:

- 1) Town Centres' (Streetscene) CCTV – Environment Committee.
- 2) Public Car Parks CCTV – Environment Committee.
- 3) Council Venues/Other Facilities CCTV – Community & Wellbeing Committee and Strategy & Resources Committee.
- 4) Council Vehicles CCTV – Environment Committee.

2.2 There is legislation and codes of practice associated with the provision and use of CCTV (See Section 6, below).

2.3 The Surveillance Camera Code of Practice sets out the following 12 guiding principles which system operators should adopt:

- 1) Use of a surveillance camera system must always be for a specified purpose which is in pursuit of a legitimate aim and necessary to meet an identified pressing need.
- 2) The use of a surveillance camera system must take into account its effect on individuals and their privacy, with regular reviews to ensure its use remains justified.
- 3) There must be as much transparency in the use of a surveillance camera system as possible, including a published contact point for access to information and complaints.
- 4) There must be clear responsibility and accountability for all surveillance camera system activities including images and information collected, held and used.
- 5) Clear rules, policies and procedures must be in place before a surveillance camera system is used, and these must be communicated to all who need to comply with them.

- 6) No more images and information should be stored than that which is strictly required for the stated purpose of a surveillance camera system, and such images and information should be deleted once their purposes have been discharged.
 - 7) Access to retained images and information should be restricted and there must be clearly defined rules on who can gain access and for what purpose such access is granted; the disclosure of images and information should only take place when it is necessary for such a purpose or for law enforcement purposes.
 - 8) Surveillance camera system operators should consider any approved operational, technical and competency standards relevant to a system and its purpose and work to meet and maintain those standards.
 - 9) Surveillance camera system images and information should be subject to appropriate security measures to safeguard against unauthorised access and use.
 - 10) There should be effective review and audit mechanisms to ensure legal requirements, policies and standards are complied with in practice, and regular reports should be published.
 - 11) When the use of a surveillance camera system is in pursuit of a legitimate aim, and there is a pressing need for its use, it should then be used in the most effective way to support public safety and law enforcement with the aim of processing images and information of evidential value.
 - 12) Any information used to support a surveillance camera system which compares against a reference database for matching purposes should be accurate and kept up to date.
- 2.4 Whilst there is general compliance with the spirit of the 12 principles, there is not compliance with all, and the required associated documentation is not all in place. Compliance with the Code is monitored by the Surveillance Camera Commissioner, and use of data gathered by camera systems is also overseen by the Information Commissioner, who has specific enforcement powers.

3 Town Centres' (Streetscene) CCTV.

- 3.1 There are currently 20 cameras deployed in the Borough: 16 in Epsom Town Centre, 2 in Ewell Village and 2 on Stoneleigh Broadway. (Annexes 1-3).

- 3.2 A sum of £90K was approved by EEBC in 1993 and in 1994 6 cameras were approved for Epsom Town Centre and 2 for Stoneleigh Broadway. Additional cameras were later added to the current number from EEBC capital funding and 106 grant monies. At the time of the Council's decision to introduce CCTV Central Government launched the 'Partners against Crime' initiative with the Home Secretary of the day stating that CCTV had a major role in helping to detect and reduce crime and convict criminals.
- 3.3 The cameras were initially monitored from the security monitoring suite at the Ashley Centre before this function was moved to Walton Police Station in a joint monitoring arrangement with Elmbridge Borough Council. This arrangement came to end in 2011; this coincided with the closure of Walton Police Station.
- 3.4 A partnership between Epsom & Ewell Borough Council, Elmbridge Borough Council and Surrey Police saw the monitoring of both Epsom & Ewell and Elmbridge Cameras transfer to the CCTV monitoring suite at Runnymede Borough Council. A 5 year contract was entered into with Runnymede by the two Councils and the Police. This contract expires in March 2017. The annual payment by Epsom & Ewell is £40,000 plus CPI while Elmbridge pays £122,000 plus CPI and the Surrey Police pays £95,000 plus CPI. CPI has been applied since year two (2012).
- 3.5 Maintenance of the cameras is carried out under contract with an external provider managed through Elmbridge BC. This contract costs Epsom & Ewell £250 per month for planned preventative maintenance and 'pay as you go' for break downs and repairs. This contract will finish in March 2017 at the same time as the monitoring contract.

4 Other CCTV systems

- 4.1 The Council operates a number of other CCTV systems, comprising the following:
 - 1) Car parks – A small number of car parks have CCTV cameras recording points of entry, exits and parking areas. These are for prevention and detection of crime and disorder and to protect public safety. In addition, there are non-recording cameras in barrier controlled car parks at points of entry, exits and around pay machines. In addition to crime & disorder and safety reasons, these cameras are monitored during opening hours to deal with operational issues relating to the use of the car park. There is also an automatic numberplate recognition system in operation in one car park to verify times of entry/exit in the event of a lost token. The fact that CCTV is in place as appropriate forms part of the reason why the Council has secured the Park Mark safer parking award.

- 2) Venues and other Buildings – A small number of CCTV cameras are located in and around Council Venues and other buildings (including the Town Hall and Depot). Again these are for the prevention and detection of crime and disorder and the protection of public safety.
- 3) Vehicles – Several vehicles have CCTV cameras monitoring the exterior of the vehicles. These are for operational reasons and in order to evidence issues relation to alleged road traffic incidents, service failures and other operational matters.

5 Proposals

- 5.1 With the increasing requirement to review the use of CCTV (under the relevant legislation and codes of practice) and the need to maintain a business case for all service provision, it is proposed that CCTV be reviewed in order to demonstrate and document compliance with the Code of Practice and to determine the appropriateness and value for money of each of the different systems.

6 Financial and Manpower Implications

- 6.1 The cost of maintaining the Town Centres' (Streetscene) CCTV is £75,500.00pa and includes the monitoring and maintenance contract costs. There is no provision for replacement or upgrading of the owned assets within those costs.
- 6.2 The contracts are monitored via a third party (Elmbridge BC) and administered internally via the Community & Wellbeing Division of EEBC.
- 6.3 The other systems are funded separately. Whilst there was a capital cost to the provision of each system, most are not monitored, with the images being used on a reactive basis, so there are not separate monitoring costs, and ongoing maintenance of these other systems is minimal.
- 6.4 **Chief Finance Officer's comments:** None for the purposes of this report.

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

- 7.1 The use of CCTV equipment, and the data gathered by such equipment is governed by various legislation, including the Protection of Freedoms Act 2012 and the Data Protection Act 1998. Various other legislation is also engaged, including the Human Rights Act 1998 as well as the legislation dealing with the Council's role in respect of crime and disorder.
- 7.2 The Council must have regard to the Surveillance Camera Code of Practice issued by the Secretary of State under the 2012 Act, though non-compliance does not of itself make the Council liable to criminal or civil proceedings.

7.3 There is no legal requirement for the Council to install or maintain CCTV cameras, record images or retain images that have been recorded. However, in reviewing CCTV provision, it is necessary to have regard to the full range of relevant legislation.

7.4 **Monitoring Officer's comments:** The Council must have regard to the Code of Practice, and should seek to ensure over time that we comply with all aspects of the Code in relation to all CCTV systems we operate.

8 Sustainability Policy and Community Safety Implications

8.1 Town Centres' (Streetscene) CCTV has complex Community Safety implications for and against its provision. Such details would be explored as part of a full review as recommended.

8.2 Other systems – similarly, there are Community Safety implications in respect of certain other systems.

9 Partnerships

9.1 **Town Centres' (Streetscene) CCTV** is monitored in a joint arrangement with the Surrey Police, Elmbridge BC and Runnymede BC. It is maintained in a joint arrangement with Elmbridge BC. The system and the images taken/recorded are at this time almost exclusively accessed by Surrey Police.

9.2 It is important that key stakeholders, such as Surrey Police, are consulted before decisions are taken in relation to CCTV provision

10 Risk Assessment

10.1 There are no legal requirements to provide and maintain CCTV. However if such a service is provided it is governed by legislation and codes of practice that if not adhered to could cause financial and reputational damage to the Council. Detailed risks would be explored as part of a full review as recommended.

10.2 The risks of removing or ceasing to monitor any systems would need to be assessed as part of any review.

11 Conclusion and Recommendations

11.1 Town Centres' (Streetscene) CCTV is a discretionary service provided by the Council and used almost exclusively by the Surrey Police for which they currently pay a contribution towards the monitoring through a contract that ends in March 2017. There are sound reasons why the system has been operated, but it is considered that this would benefit from a review prior to any future decisions being taken.

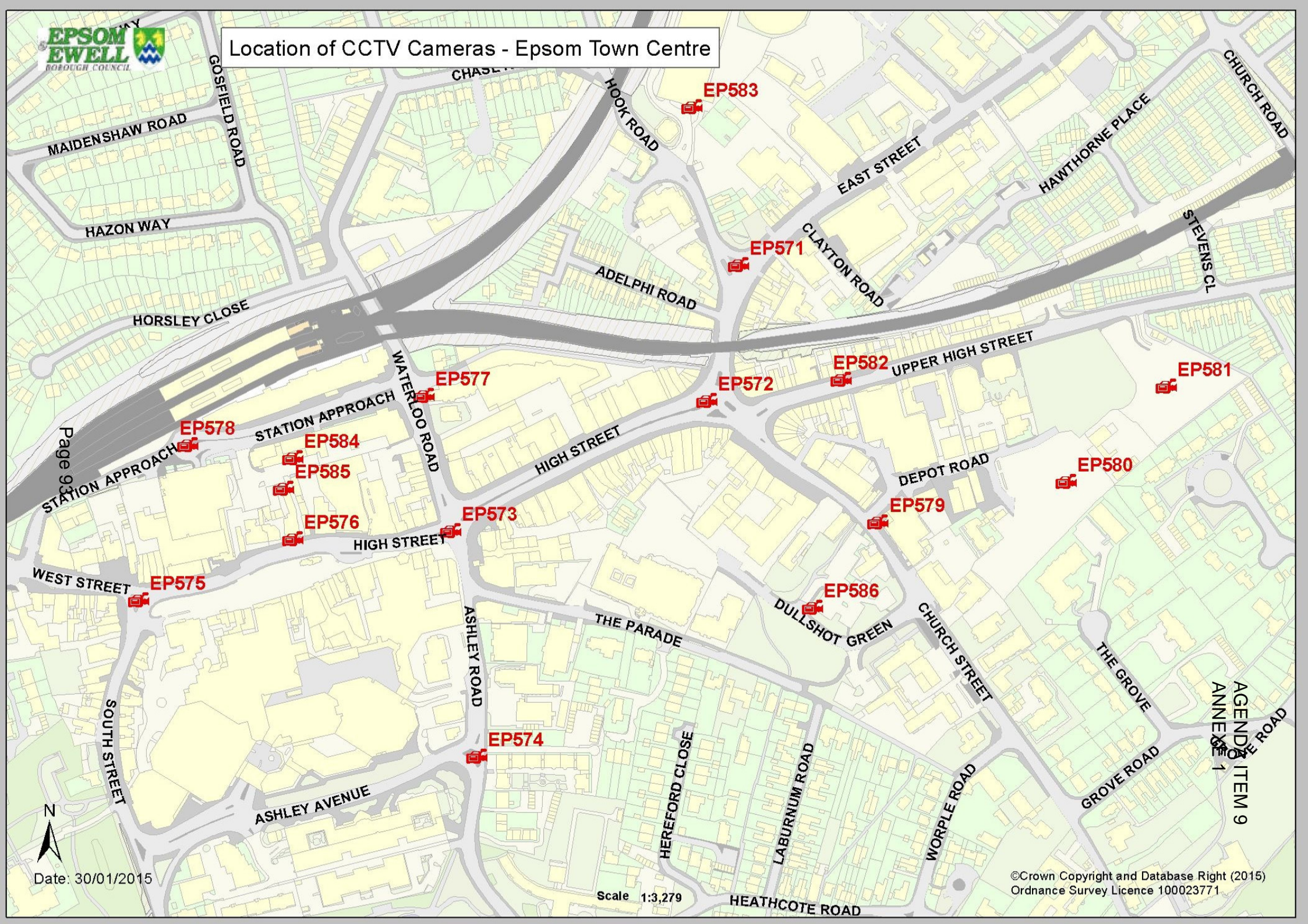
11.2 It is considered that other CCTV systems are also used for sound operational reasons, but again, could benefit from a comprehensive review.

11.3 It is recommended that a full review of CCTV is conducted and that appropriate recommendations are made to the relevant Committees.

WARD(S) AFFECTED: (All Wards);

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Location of CCTV Cameras - Epsom Town Centre



Page 93



Date: 30/01/2015

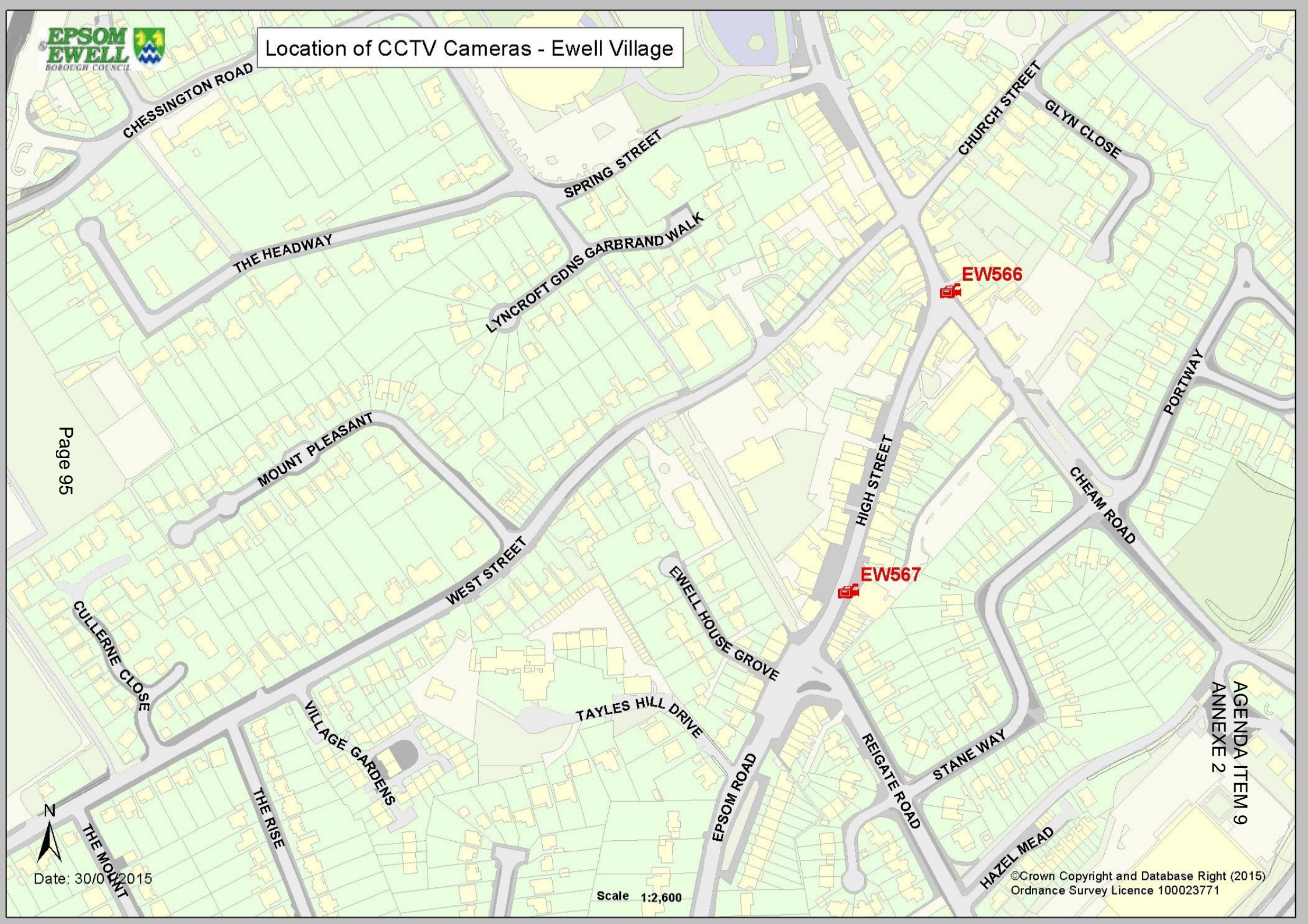
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AGENDA ITEM 9
ANNEX 1

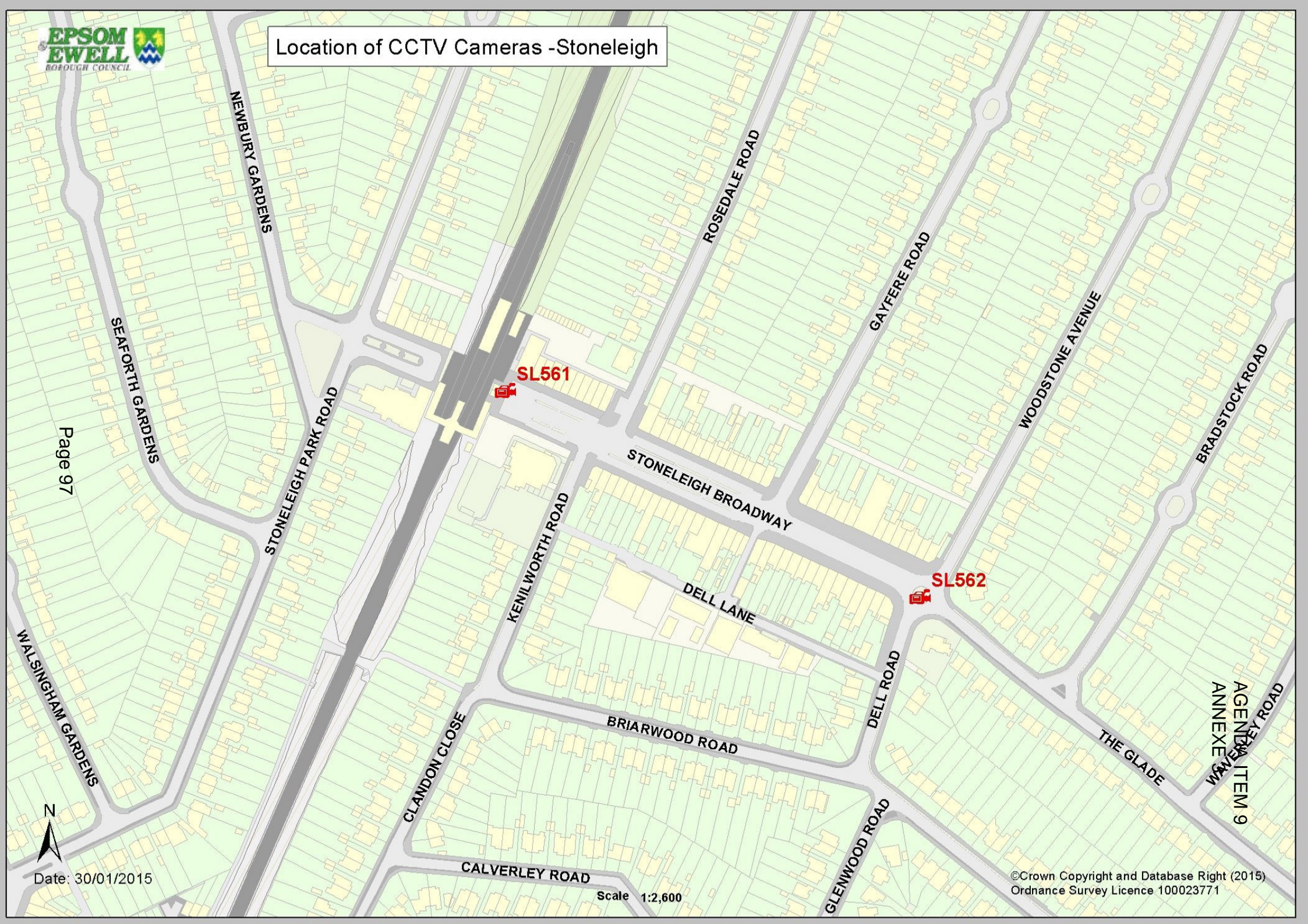
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Location of CCTV Cameras - Ewell Village



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Location of CCTV Cameras - Stoneleigh



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ANNUAL REPORT ON THE USE OF DELEGATED POWERS

<u>Report of the:</u>	Head of Legal and Democratic Services
<u>Contact:</u>	Fiona Cotter
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	<u>Annexe 1</u> - Schedule of Actions recorded on Officer Action Proforma
<u>Other available papers</u> (not attached):	Scheme of Delegation

REPORT SUMMARY

In accordance with the Council's Scheme of Delegation to Officers, this report sets out significant decisions taken by officers under delegated powers since 15 April 2015.

RECOMMENDATION (S)

That the Committee notes that twenty one decisions have been recorded or are pending using the Delegated Authority proforma since 15 April 2015.

Notes

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

1.1 No direct implications.

2 Background

2.1 The Scheme of Delegation was drawn up on the principle that Officers are authorised to do all things that are necessary to run their services and to implement council policies provided their actions are taken within budget and according to standing orders etc.

2.2 The Scheme still contains a number of caveats and restrictions to ensure that Members are aware of most actions taken under delegated powers and are consulted properly. One of these is that a report should be presented annually to this Committee setting out significant decisions taken by Officers under delegated powers in the previous year.

2.3 Under the previous Scheme of Delegation, a form had been developed to record the taking of urgent decisions or decisions which needed to be made in consultation with a Chairman or where specifically authorised by a Committee.

2.4 This form is still used as a means of recording decisions which officers have felt it necessary to consult members upon. The phrase "significant decision" is not defined in the Scheme therefore for the purposes of this report will be defined as those decisions still recorded using the Officer Action proforma. The officer named is usually the officer who has initiated the action on behalf of their Service Head/Director.

3 Proposals

3.1 Since 15 April 2015, twenty one decisions have been recorded or are pending using the delegated authority proforma, also set out in Annexe 1 to this report. The total of twenty one is six more than reported last year. All decisions made have been reported in Members' Briefing.

4 Financial and Manpower Implications

4.1 As set out in individual cases and signed off by the Director of Finance and Resources/Head of Financial Services.

4.2 **Chief Finance Officer's comments:** If the matter involves a significant amount of expenditure, the use of this process should only be exercised when the matter is proven as urgent and cannot wait for formal agreement at the next relevant policy committee.

5 Legal Implications (including implications for matters relating to equality); Sustainability Policy and Community Safety Implications; Partnerships

5.1 As set out in individual cases.

5.2 **Monitoring Officer's comments:** The Chief Executive and Heads of Service are empowered to take all operational decisions within agreed policies in relation to the services for which they are responsible. In taking any decision Officers must be satisfied that all issues have been properly considered. Officers engage this process if, having considered the implications of any council, policy, initiative or procedure and the potential impact of the decision in any other area they consider that consultation with senior officers and members is appropriate.

6 Risk Assessment

6.1 In taking any decision, the officer concerned must be satisfied that certain issues specified in the Scheme of Delegation have been properly considered at the earliest possible stage.

7 Conclusion and Recommendations

- 7.1 The Committee is asked to note that twenty one decisions have been recorded or are pending using the Officers' Action proforma since 15 April 2015. This is six decisions more than last year, reflecting the number of significant property related matters and projects currently in the pipeline.

WARD(S) AFFECTED: (All Wards);

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AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE
28 JUNE 2016

NAME	RESPONSIBLE COMMITTEE	FORM No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' BRIEFING	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
T. Wingfield	S&R	440	22/05/15	Changes to Treasury Management Strategy		Significant Officer decision	To maintain the ability to make investments in line with the Council's overall investment priorities of low risk, liquid returns.	-----
T. Foxwell	S&R	441	16/06/15	Longmead Social Centre - redecorations	17/06/15	Significant Officer decision	£18,680	Repairs and Renewal Fund for Social Centres
J. Payne	S&R/ Environment	442	19/06/15	Replacement of 10 handheld devices to issue PCNs	25/06/15	Significant Officer decision	£15,605	Street car park account or New Homes Bonus
S. Young	S&R/Leisure	443	29/06/15	West Hill – dedication of highway	7/07/15	Significant Officer decision	-----	-----

AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE
28 JUNE 2016

NAME	RESPONSIBLE COMMITTEE	FORM No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' BRIEFING	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
S. Young	S & R	444	22/07/15	Variation or grant of new agreements with Age Concern Epsom and Ewell & the CAB regarding office accommodation at the Town Hall	29/07/15	Significant Officer decision	Social Committee approved matched funding to cover the notional rent/service charge for the occupation of the office space	Corporate cost
S. Young	S&R	445	23/09/14	Downs House	24/07/15	Significant Officer decision	£40,000	Corporate cost
S. Young	S&R	446	22/07/15	Epsom Common - Easement	24/07/15	Significant Officer decision	----	-----
S. Young	S&R	447	22/07/15	Hollymoor Lane agreement	24/07/15	Significant Officer decision	Up to a maximum of £67,705 but only if planning permission not obtained	Corporate cost – not incurred
T. Foxwell	S&R	448	23/07/15	Replacement of Town Hall boilers	23/07/15	Significant Officer decision	£61,000	Capital Reserves

AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE
28 JUNE 2016

NAME	RESPONSIBLE COMMITTEE	FORM No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' BRIEFING	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
D. Atubo	S&R	449	04/08/15	Play Equipment	CANCELLED	Significant Officer decision	-----	-----
T. Foxwell	S&R	450	06/08/15	Works to Depot	CANCELLED	Significant Officer decision	-----	-----
T. Foxwell	S&R	451	07/08/15	Works to Court Rec Bowls Pavilion	Referred to Committee	Significant Officer decision	Set out in report to Strategy & Resources Committee dated 29/09/15	Report to Strategy & Resources Committee dated 29/09/15 refers
J. Stevens	Environment	452	19/11/15	"Ewell Yule" – free parking	20/11/15	Significant Officer decision	Estimated cost of circa £40	Car parking budget
L. Duffy	Council	453	09/12/15	Council Tax Base 2016/17		Authorised by Committee	Agreed Council Tax Base of 32,013.50 (Band D equivalent properties)	Calculation of Council Tax Base prescribed in regulations

AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE
28 JUNE 2016

NAME	RESPONSIBLE COMMITTEE	FORM No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' BRIEFING	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
R. Brown	Social	454	09/12/15	Temporary Accommodation	CANCELLED	Significant Officer decision	Prudent financial course of action – Chairman & Vice Chairman of Community & Wellbeing aware	-----
D. Smith	S & R	455	27/01/15	Route Call – waiver of Standing Orders	Outstanding	Significant Officer decision		
D. Firmo	Social	456	02/02/15	Action Surrey Funding	Referred to Committee	Significant Officer decision	-----	-----
O. Nelson	Social	457	29/03/15	Charging for Stray Dogs service	Referred to Committee	Significant Officer decision	-----	-----
A. Lunt	Social	458	18/04/15	Cleaning of Wells Centre	Outstanding	Significant Office decision		

AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE
28 JUNE 2016

NAME	RESPONSIBLE COMMITTEE	FORM No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' BRIEFING	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
R. Brown	S&R	459	27/04/16	Blenheim Road – commencement of refurbishment works before entering into full repairing lease with a Social Housing provider	03/05/16	Significant Officer decision	-----	-----
J. Payne	Environment	460	12/05/15	Ewell Court House – Parking Permits	24/05/16	Significant Officer decision	Uplift of 6%	----

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WORK PROGRAMME 2016/17

Report of the: Head of Legal and Democratic Services
Contact: Margaret Jones
Urgent Decision?(yes/no) No
If yes, reason urgent decision required:
Annexes/Appendices (attached): Annexe 1: Work Programme 2016/17
Other available papers (not attached): None

REPORT SUMMARY

This report asks the Committee to agree its work programme for 2016/17.

RECOMMENDATION (S)

(1) That the Committee approves the work programme 2016/17 attached at Annexe 1.

Notes

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

1.1 Implications vary across the different items agreed for inclusion in the work programme. Specific implications are considered by the Committee before undertaking any individual investigation.

2 Background

2.1 Paragraph 1 of the Overview and Scrutiny Procedure Rules requires the Committee to approve an annual Overview and Scrutiny Work Programme including the programme of any sub-committees or panels.

2.2 With the start of the new municipal year 2016/17, a new work programme which meets the responsibilities of the Committee has been drafted for consideration of the Committee.

3 Work Programme 2016/17

3.1 The draft work programme for the Audit, Crime & Disorder and Scrutiny Committee and appointed task groups for 2016/17 is attached at Annexe 1.

- 3.2 As in previous years, regular audit reports have been built into the programme, with the Committee due to receive reports from both the internal and external auditors at each meeting except the October 2016 meeting. Audit reports scheduled into the programme include the Annual Governance Statement and the Internal Audit Assurance Report.
- 3.3 To reflect the requirement that the Committee scrutinise the local Epsom and Ewell Community Safety Partnership (CSP) at least once a year, two CSP reports have been built into the programme; an end of year report in June and a mid-year progress report in November.
- 3.4 In previous years the Committee has received regular performance management reports showing progress made by the policy committees against their specific targets. The previous Committee was informed at its meeting in April 2016 that an end of year performance management report 2015/16 would not be produced and hence the Committee would not receive a performance management report in June 2016. However, with the new Corporate Plan, 2016/17 performance management reports have been scheduled for the November 2016 and February and April 2017 meetings.
- 3.5 Other individual items for review have been included within the Committee's work programme. Examples include the Annual Reports on the use of delegated powers, and data quality.
- 3.6 At the November 2015 meeting the previous Audit, Crime & Disorder and Scrutiny Committee agreed to include a review of Venues in the Committee's on-going work programme. This work is intended to assist in development of the Council's Medium Term Financial Strategy. In February 2016, the previous Committee appointed a task group to undertake the work comprising Councillors Smitheram, Reeve and Bridger. Councillor Teasdale was co-opted to the task group from the Strategy and Resources Committee. The task group is due to report back to the Committee at its October 2016 meeting. It is anticipated that the work of the task group will continue thereafter.
- 3.7 Lastly, a progress update on the implementation of the Committee's recommendations contained within its April 2016 report on the Review of the Arrangements for Publicising and Determining Planning Applications is scheduled for April 2017.

4 Proposals

- 4.1 It is proposed that the Audit, Crime & Disorder and Scrutiny Committee approve the work programme attached at Annexe 1.
- 4.2 An update report on the Committee's work programme will be brought to each meeting of the Committee. This will provide further opportunity for the Committee to consider its on-going work programme.

- 4.3 Across the year there is the potential for last minute scrutiny matters such as call-in to arise. Should such scrutiny items arise, they will where possible, be scheduled to be considered at one of the five ordinary meetings of the Committee

5 Financial and Manpower Implications

- 5.1 The Committee will wish to consider workload implications for both its members and the Scrutiny Officer when approving its work programme. In depth scrutiny reviews undertaken by task groups require more intensive input from members as well as the Scrutiny Officer for specific time periods.

- 5.2 **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 at Annexe 1 has been designed to meet the Committee's responsibilities set out in legislation and its Terms of Reference.

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

7 Sustainability Policy and Community Safety Implications

- 7.1 Scrutiny of the CSP 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 Agreeing items for review/scrutiny at the beginning of the municipal year will enable the Committee to take steps to ensure that it meets all its responsibilities (statutory and local). It will also enable the Committee to manage its workload across the year to identify priorities and reschedule work according to need/risk.

10 Conclusion and Recommendations

- 10.1 The Audit, Crime & Disorder and Scrutiny Committee is responsible for setting its own work programme. With a new Committee in place, a work programme encompassing all areas of responsibility has been drafted.

- 10.2 It is recommended that the Committee approve the work programme attached at Annexe 1.

WARD(S) AFFECTED: (All Wards);

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Overview and Scrutiny Work Programme 2016/2017

MEETING DATE	ITEMS FOR CONSIDERATION BY FULL COMMITTEE	ITEMS FOR CONSIDERATION BY APPOINTED TASK GROUP(S)
28 June 2016	<ul style="list-style-type: none"> • Internal Audit Monitoring Report 2015/16 • Internal Audit Assurance Report 2015/16 • Annual Governance Statement 2015/16 • Planned Audit Fee for 2016/17 (External Audit) • Community Safety Partnership 2015/16 – End of Year Report • Annual Report on use of Delegated Powers • Review of CCTV Provision • Work Programme 2016/17 	<ul style="list-style-type: none"> • Review of Venues
11 Oct 2016	<ul style="list-style-type: none"> • Review of Venues 	
15 Nov 2016	<ul style="list-style-type: none"> • Internal Audit Monitoring Report 2016/17 • Follow Up of Internal Audit Recommendations • External Audit Update Report • Annual Governance Statement and District Auditor's Audit Findings – Progress Against Action Plans • Risk Management Framework Annual Report • Performance Management • Community Safety Partnership 2016/17 – Half Year Report • Data Quality • Work Programme 2016/17 	<p style="text-align: center;">ITEMS WITH NO FIXED DATE</p> <ul style="list-style-type: none"> • Review of Routecall – Progress Update
9 Feb 2017	<ul style="list-style-type: none"> • Internal Audit Monitoring Report 2016/17 • Project Management and Contract Management Advisory Audit Reviews – Progress Update • External Audit Update Report • Performance Management • Work Programme 2016/17 	
11 April 2017	<ul style="list-style-type: none"> • Internal Audit Strategy 2017/18 • Internal Audit Monitoring Report 2016/17 • External Audit Update Report • Performance Management • Scrutiny Review of the Arrangements for Publicising and Determining Planning Applications – Progress Update • Annual Report 2016/17 	

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