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Simon Young, Solicitor
Head of Legal and Democratic Services

AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE

Tuesday 15 November 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 Tony Axelrod
Councillor Steve Bridger
Councillor Alex Clarke
Councillor Rob Geleit
Councillor Jan Mason
Councillor Peter O'Donovan
Councillor Humphrey Reynolds
Councillor David Wood

Yours sincerely

Head of Legal and Democratic Services

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

AGENDA

1. QUESTION TIME

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

2. DECLARATIONS OF INTEREST

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

3. MINUTES OF THE PREVIOUS MEETING (Pages 5 - 8)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on 11 October 2016 (attached) and to authorise the Chairman to sign them.

4. EPSOM & EWELL COMMUNITY SAFETY PARTNERSHIP HALF YEAR REPORT 2016/17 (Pages 9 - 12)

This report informs the Committee of the work and position of the Epsom and Ewell Community Safety Partnership (CSP) for the first half of 2016/17.

5. INTERNAL AUDIT - MONITORING REPORT (Pages 13 - 34)

This report summarises progress against the audit plan for 2016/17.

6. PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 35 - 44)

This report outlines progress made on implementing internal audit recommendations to strengthen the control environment.

7. RISK MANAGEMENT FRAMEWORK ANNUAL REPORT (Pages 45 - 62)

This report enables the Committee to meet its responsibilities for monitoring the development of the Council's risk management arrangements.

8. ANNUAL GOVERNANCE STATEMENT AND EXTERNAL AUDITOR'S AUDIT FINDINGS 2015/16 - PROGRESS AGAINST ACTION PLANS (Pages 63 - 72)

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

9. EXTERNAL AUDIT PROGRESS REPORT AUGUST 2016 (Pages 73 - 90)

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

10. AUDIT FINDINGS REPORT 2015/16 (Pages 91 - 126)

This report covers Grant Thornton's audit findings following audit of the Financial Statements for 2015/16.

11. CORPORATE PLAN: PERFORMANCE REPORT ONE 2016 TO 2017 (Pages 127 - 152)

This report provides an update against our Key Priority Performance Targets that are either on amber or red for 2016 to 2017, under our new Corporate Plan.

12. WORK PROGRAMME 2016/17 (Pages 153 - 158)

This report updates the Committee on its work programme 2016/17 and highlights that a verbal update on its initial report on the Venues Review will be provided at the meeting.

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Minutes of the Meeting of the AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE held on 11 October 2016

PRESENT -

Councillor David Reeve (Chairman);Councillor Clive Smitheram (Vice-Chairman); Councillors Tony Axelrod, Steve Bridger, Alex Clarke, Rob Geleit, Jan Mason, Peter O'Donovan, Humphrey Reynolds and David Wood

In Attendance: Councillor Mike Teasdale

Absent:

Officers present: Margaret Jones (Scrutiny Officer), Andrew Lunt (Head of Venues & Facilities), Tim Richardson (Democratic Services Officer) and Simon Young (Head of Legal and Democratic Services)

12 QUESTION TIME

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

13 DECLARATIONS OF INTEREST

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

14 MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting of the Audit, Crime & Disorder and Scrutiny Committee held on 28 June 2016 were agreed as a true record and signed by the Chairman.

15 VENUES REVIEW

The Committee received a report of the Scrutiny Review Task Group on Bourne Hall (including Bourne Hall Museum) and Hook Road Arena. The report provided an overview of the Task Group's investigation into both venues, alongside its findings and recommendations.

The Committee noted the arrangements for the Task Group's formation and its terms of reference. The Task Group would also consider the services provided by Epsom Playhouse and Ewell Court House; these would be undertaken as its next phase of work and detailed in a report to a future meeting of the Audit, Crime & Disorder and Scrutiny Committee.

The Vice-Chairman provided the Committee with a verbal introduction and summary of the Task Group's report, which was attached as Annexe 2 to the Committee report. The following matters detailed within the Task Group's report were considered:

a) Continuance of the Bourne Hall Museum. The Committee was informed that the Task Group viewed the work of the Museum and its staff as being of importance to the community, and that it was much valued by educational establishments and public who visited it. The Task Group considered that the Bourne Hall Museum should continue as it was currently operated, but that officers should continue to monitor the Museum's collection management to ensure that it remained relevant, manageable and accessible. The Task Group also considered that a report on the activities of the Museum, including appropriate statistical data should continue to be presented to members of the Community and Wellbeing Committee on an annual basis.

b) Bourne Hall catering arrangements. The Task Group had expressed concern that the catering contract for Bourne Hall was reliant upon the extension of an arrangement which had expired in 2014. It had been reassured by the action being taken by officers to address this matter and noted that a decision on the catering arrangements for the venue would be linked to a decision regarding the nature of the kitchen facilities provided.

c) Internal configuration and refurbishment of Bourne Hall. The Task Group supported the principle of altering the internal configuration of Bourne Hall, and undertaking refurbishment works to improve its visual appearance. In particular, the Task Group considered that benefits would be received if the configuration could be amended to enable the external patio area to be utilised for wedding functions, or a café. This would require a change to the location or layout of the library, and therefore also require an agreement with Surrey County Council. The Task Group considered that internal refurbishment of the Banqueting Suite and access corridor would be necessary to achieve a higher level of occupancy for those rooms.

d) Level of usage of Bourne Hall. The Committee noted that Bourne Hall was a very well used community facility, and that it met the needs of a wide variety of users. The Task Group had been informed that over 130 different organisations hired facilities at Bourne Hall each year. However, the utilisation levels of rooms identified in Table 2 of the Task Group's report showed that some rooms did not receive a high level of use. The Committee noted that whilst the statistics provided in Table 2 were accurate, they should be interpreted in a realistic manner, as it was unlikely that all available slots would or could be booked in practice. This was particularly the case early in the morning, and when a booking required a set-up or break down period.

e) Bourne Hall Keeper's bungalow. It was noted that this was leased to Surrey County Council and used to provide services to adults with learning difficulties. The Head of Legal and Democratic Services informed the Committee that the lease for the property would be available for renewal in the near future, and that the Council's Head of Property was discussing it with Surrey County Council.

f) Bourne Hall Turrets area. The Task Group considered that the Turrets area external to the main building of Bourne Hall was underutilised. It was noted that the Council's Head of Place Development was investigating the site's potential for alternative use.

g) Hook Road Arena. Usage of Hook Road arena was heavily restricted by covenants placed upon it. The Task Group considered that officers should continue to explore potential opportunities to generate further income from its use. The Task Group had also identified an area of the Arena adjacent to Richards Field and Oakdale Road which was very rarely used for events, due to its poor drainage. It was noted that the Head of Legal and Democratic Services would investigate the potential for this area to be utilised for other purposes.

Following consideration, the Committee:

(1) Approved the Report of the Scrutiny Review Task Group on Bourne Hall and Hook Road Arena attached at Annexe 2 to the committee report.

(2) Agreed that the Report be presented to the Community and Wellbeing Committee on 8 November 2016.

(3) Thanked the Scrutiny Review Task Group and Officers involved in the review for their work on the matter.

The Committee noted that the Chairman and Vice Chairman hoped to attend the meeting of the Community and Wellbeing Committee on 8 November 2016 to represent the Audit, Crime and Disorder and Scrutiny Committee's views on the review.

16 WORK PROGRAMME 2016/17

The Committee received and noted its work programme 2016/17. During consideration of the report, the following matters were considered:

a) Scrutiny Review of the Arrangements for Publicising and Determining Planning Applications – Progress Update. The Committee noted that this item had been omitted from its work programme in error, and would be presented to its meeting in April 2017.

b) Review of CCTV Provision. The Committee was informed that this item was likely to be presented to its February 2017 meeting, rather than

November 2016, as information and a decision regarding street scene CCTV was still awaited from partners.

The meeting began at 7.30 pm and ended at 8.25 pm

COUNCILLOR DAVID REEVE (CHAIRMAN)

EPSOM & EWELL COMMUNITY SAFETY PARTNERSHIP HALF YEAR REPORT 2016/17

Report of the:	Chief Executive
Contact:	Kelvin Shooter
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	None
Other available papers (not attached):	

REPORT SUMMARY

This report informs the Committee of the work and position of the Epsom and Ewell Community Safety Partnership (CSP) for the first half of 2016/17.

RECOMMENDATION (S)	*Notes*
(1) The Committee is asked to note and comment on the work and position of the CSP for the first half of 2016/17.	

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

1.1 The concept of creating a safe and secure community is implicit across the services provided by the council. The Community Safety Partnership (CSP) is a vehicle by which that concept can be achieved.

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

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

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

3 CSP sub groups

3.1 Community Incident Action Group (CIAG) is a monthly group that is chaired and administered by the Epsom & Ewell Neighbourhood Police and brings together agencies from inside the authority and other agencies such as housing associations and Surrey County Council. The purpose of the group is to identify individuals within the Borough who are either victims or perpetrators of ASB/crime and deliver solutions through partnership working. The number of referrals varies from month to month; at the time of writing this report there are six youths and thirteen adults being considered.

3.2 Joint Action Group (JAG) is a group called as and when required to find solutions to areas of the borough where ASB/crime has been identified as a problem. This group is normally chaired by the organisation that has called it together and is administered by the CSP. As with the CIAG, the partners from inside and outside of the council look for solutions which address both the perpetrators and the victims. During the first half of this year four JAGs have been in operation dealing with issues such as youth ASB, street violence, robbery and drug related offences.

4 East Surrey amalgamation

4.1 As part of the CSP review in 2014/15 an option was considered to form an East Surrey CSP (ESCSP) with the districts and boroughs of Mole Valley, Reigate & Banstead and Tandridge. At the time the CSP declined the invitation but kept the option open.

4.2 Early 2016/17 a further invitation was received from the East Surrey Police Command and the Chair of the ESCSP. A report was received by the CSP outlining the invitation and the implications such an amalgamation would have. It was agreed by the CSP to seek an amalgamation. All partners have been informed of this decision and asked to confirm their support; including the EEBC Environment Committee which received a report on the 25 October 2016. The EEBC Environment Committee have subsequently agreed to the amalgamation and to delegate to the Chief Executive of the Council to finalise the details of the agreement to combine with the ESCSP.

4.3 The application to amalgamate was received by the ESCSP on the 22 September 2016 and was accepted subject to formal ratification by CSP partners and agreement by the Surrey Police & Crime Commissioner.

5 Proposals

5.1 None other than those stated.

6 Financial and Manpower Implications

6.1 All changes noted in this report are cost neutral.

6.2 ***Chief Finance Officer's comments:*** *There are no specific financial implications attached to this report, however any obligations to formulate future strategies associated with reducing crime and disorder would have to be considered jointly (and funded) with partners.*

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

7.1 All legislation pertaining to the matters contained in this report is noted above including the ability to combine CSPs provision for which is contained within the 1998 Act, as amended by the 2011 Act.

7.2 ***Monitoring Officer's comments:*** It is important that, whatever arrangements are made, we do not lose sight of the Council's obligation, jointly with partners, to formulate and implement strategies for:

7.2.1 reducing crime and disorder (including anti-social behaviour adversely affecting the local environment);

7.2.2 combatting the misuse of drugs alcohol and other substances in the area;

7.2.3 reducing re-offending in the area

8 Sustainability Policy and Community Safety Implications

8.1 The decisions of the CSP in terms of its in borough activities and its work at area and county level have been taken with sustainability in mind given the capacity and resources available to it.

9 Partnerships

9.1 The concept of the CSP is to deliver solutions and change through partnership working.

10 Risk Assessment

10.1 Risks have been considered and accounted for in the CSPs terms of reference and in entering into an amalgamation the risks have been addressed in terms of reference of the ESCSP.

11 Conclusion and Recommendations

11.1 The CSP will in the future address local issues through the CIAGs and JAGs. It will address area and county wide issues through its association with the ESCSP.

11.2 The new model will allow it to operate locally and take a strategic role on an area basis while being cost neutral.

WARD(S) AFFECTED: (All Wards);

INTERNAL AUDIT - MONITORING REPORT

Report of the:	Director of Finance and Resources
Contact:	Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annexe 1 – Internal Audit Monitoring Report
Other available papers (not attached):	Audit Strategy for 2016/2017

REPORT SUMMARY

This report summarises progress against the audit plan for 2016/17.

RECOMMENDATION (S)

(1) That the Committee receives the Internal Audit Progress Report for 2016/17.

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 recommendations from external and internal auditors.

3 Audit Findings

3.1 The Internal Audit Progress Report covering the period to date for 2016/17 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. During the year, progress reports will reflect the internal auditor's opinions and build up a picture of their findings contained within the end of year opinion. RSM have altered the format of the progress report for 2016/17 although it still includes:

3.2.1 A summary of progress

3.2.2 Internal audit plan performance

3.2.3 Any alternations to the plan

3.2.4 Key findings of each review.

3.3 Five reports have been finalised since the last monitoring report.

3.4 A summary of progress against the Internal Audit Plan for 2016/17 is shown below.

Assignment	**Opinion**	**Actions Agreed**		
		H	**M**	**L**
C/F from 15/16 Facilities Management	**Advisory**			
C/F from 15/16 Data Quality	**Reasonable Assurance**		1	2
Cash Handling	**Reasonable Assurance**		1	2
Workforce Planning	**Advisory**			
Housing Rent Accounting & Reconciliation	**Partial Assurance**		3	3
Planning and Building Control	Draft			
Financial Management	Not started			
Allocations & Voids	*Work in Progress*			
Business Performance Review Democratic Services	**Reasonable Assurance**		1	2
Risk Management	*Not started*			
Car Parks	*Work in progress*			
Governance	*Not started*			
Payroll	*Not started*			
Data Quality	*Not started*			
Rents and Income Collection	*Not started*			

Private Sector Leasing	*Not started*			
Creditors	*Not started*			
Revenues	*Not started*			
Benefits	*Not started*			
Business Performance Review - Homelessness	*Not started*			
Agency Staff Procurement	*Not started*			
Procurement	*Not started*			
Follow Up	*Not started*			
PCI Code Compliance	*Not started*			

3.5 There are two reports in draft, and these will be reported to the next committee.

3.6 There are two advisory reviews reported, Facilities Management and Workforce Planning.

3.7 **Facilities Management** – this review did not provide an overall rating but did identify a number of failings within the existing contract. An action plan has been devised to address these and includes; developing revised KPI's with the contractor to measure the service provided, ensuring the contractor reports against the full scope of the contract, a review of required PPM work (planned preventative maintenance) be agreed in advance and the overall governance arrangements be strengthened .

3.8 **Workforce Planning** –this review looked at the Council's approach to workforce planning to ensure that the correct numbers of staff with the right skills are in place. They identified some areas of good practice, but limited formal arrangements were in place and there was no Workforce Plan or formal processes for succession or retirement planning. These will be addressed through the Organisational Development Plan for 2016-2020 which includes a range of initiatives.

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 purposes of this report.

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

5.1 None.

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

6 Sustainability Policy and Community Safety Implications

6.1 None for the purposes of this report.

7 Partnerships

7.1 The Council continues to form part of the East Surrey Internal Audit Consortium. The Consortium has jointly agreed to extend the existing contract for a further two years.

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 negative assurance that would impact on the Head of Internal Audit's year end opinion.

WARD(S) AFFECTED: (All Wards);

AGENDA ITEM 5
ANNEXE 1

EPSOM AND EWELL BOROUGH COUNCIL

Internal Audit Progress Report

Audit, Crime & Disorder and Scrutiny Committee Meeting

November 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

RSM

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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.

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1 INTRODUCTION

The Internal Audit Plan for 2016/17 was approved by the Audit, Crime & Disorder Scrutiny Committee in April 2016.

This report provides a summary update on progress against that plan and summarises the results of our work to date.

2 REPORTS CONSIDERED AT THIS AUDIT COMMITTEE

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

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
Facilities Management Contract Review (1.16/17)	Advisory review	Advisory findings only		
Cash Handling (2.16/17)	Reasonable assurance	-	1	2
Data Quality (15/16) (3.16/17)	Reasonable assurance	-	1	2
Housing Rent Accounting and Reconciliation (4.16/17)	Partial assurance	-	3	3
Workforce Planning (5.16/17)	Advisory review	Advisory findings only		
Implementation of Business Performance Review actions – Democratic Services (6.16/17)	Reasonable assurance	-	1	2

3 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2016/17	Status
Planning and Building Control (7.16/17)	May 2016	Draft report issued 6 October 2016
Car Parking – On Street and Car Parks	July 2016	Deferred start date at management request to October 2016
Financial Management and Main Accounting	September 2016	Request by management to defer until after Christmas due to staff absences
Allocations, Lettings and Voids	October 2016	To start in November 2016
Governance	October 2016	To start in November 2016
Payroll	November 2016	
Risk Management	November 2016	
PCI Code Of Conduct Compliance	November 2016	
Data quality (16/17)	December 2016	
Creditors And Ordering	December 2016	
Council Tax (Revenues)	January 2017	
Benefits	January 2017	
Rental Income	February 2017	
Implementation of Business Performance Review actions – Homelessness	February 2017	
Private Sector Leasing Scheme	March 2017	
Procurement Of Agency Staff	March 2017	
Procurement	March 2017	
Grant audits	As required	Complete – no report required

4 OTHER MATTERS

4.1 Changes to the audit plan

Other than some timing changes, there are no changes to the plan proposed at this time.

4.2 Added value work

Our contract risk specialist undertook the review of the Facilities Management contract (1.16/17) which was at the request of management.

APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Assignment	Opinion issued	Actions agreed		
		H	M	L

No 2016/17 final reports have previously been issued.

FOR FURTHER INFORMATION CONTACT

Karen Williams

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Tel: 07818 002463

APPENDIX B: EXECUTIVE SUMMARIES

Assignment: Facilities Management Contract Review (1.16/17)	**Opinion:**	**Advisory**

The key findings from this review are as follows:

a) Our fieldwork highlighted a number of challenges around the management of the contract and the performance of the supplier.

b) There were weaknesses in the way the contract was set up. In particular, around the design of the key performance indicators (KPIs) and the absence of in-built performance incentives and sanctions needed to influence supplier behaviour.

c) The documentation we were provided showed that there were areas of non-conformance with the contract by the supplier alongside areas of underperformance. The supplier's reported performance on planned preventative maintenance (PPM) work was particularly weak. We also noted that the commercial viability of the contract to the supplier may be under threat as the contract value is less than indicated at the time of award.

d) Our advice to the Council is that there should be greater focus on ensuring the supplier meets its obligations within the contract. As part of this, the weaknesses in performance reporting will need to be addressed. In order to achieve this, there will need to be stronger governance and performance management of the contract. However, we note that contract management interventions rely on the supplier reporting accurately against the service it delivers. The Council should prioritise getting an accurate picture of variable costs.

e) During the fieldwork, we obtained feedback that the weaknesses in contract management may be largely down to gaps in contract management resource. We acknowledge that this view has some merit. However, the root cause of challenges faced by the Council is mainly around taking action to ensure that the contractor carries out their commitments within the contract.

	Agreed Management Action	Implementation Date	Manager Responsible
1	The Building Surveyor has requested a monthly report with a full scope of the service as set out in the contract to improve contract management. This will include additional KPI information, details of the monthly and variable work orders, Health and safety information and clarity on non-compliant KPI's	June 2016	FM Contract Management Group
	A FM Contract Management Group has been established who have responsibility for developing an action plan to address the issues identified in this review for both the short and medium term issues	December 2016	

2	The Council should request that the supplier completes the work needed to determine the required level of PPM work based on the condition of the estate. The supplier and contract manager should then formally meet and agree a programme of work against which performance can be managed. In addition, the Council should request performance reporting information to include further detail on PPM works, including a breakdown of each monthly KPI score to determine the effectiveness and efficiency of work carried out in the area. A schedule has been requested with dates and type of work. Kier have been asked to supply a breakdown of monthly PI's on PPM work. In future need to agree PPM work in advance.	Immediately August 2016 August 2016 December 2016	FM Contract Management Group
3	The Council should consider strengthening protocols for managing variable work orders. The process for signing of any additional work will be reviewed by the Group	December 2016	FM Contract Management Group
4	The Council will: • Agree formal terms of reference for the monthly and six monthly meetings specified in the contract. The terms of reference should include the objectives of the meetings, such as reviewing the supplier's performance against key obligations within the contract. • Set up a working group (or similar function) where feedback on the supplier is pulled together and suggested actions are agreed. The outputs of such a working group meeting should be fed into formal meetings with the supplier. • Carry out contract management awareness induction sessions for members of the working group so that they are fully informed on the contract specification and supplier obligations that relate to their service areas. • Nominate a senior responsible officer who has overall responsibility for the contract and should be the point of contact for the escalations of key issues. In addition, the senior responsible officer should attend the six monthly meetings with senior representatives from the supplier. • Agree the scope of user satisfaction surveys and instruct the supplier to carry out surveys every six months in accordance with the contract. This will form part of the action plan for the group.	December 2016	FM Contract Management Group

5	The Council will monitor the value of the contract to the supplier. As part of this, it should track how much facilities management work goes to other suppliers. This will form part of the Action Plan for the Group	December 2016	FM Contract Management Group
6	The Council should monitor the risk of cost escalating as a result of the condition of the estate. The Corporate Property Group is identifying all maintenance costs and will be looking at the costs and usage of all properties with a view to developing a strategy for the Council's property portfolio.	June 2017	Corporate Property Group
7	The Council will review provisions within the contract and explores their use in improving performance and holding the supplier to account. This will form part of the Action Plan for the Group.	December 2016	FM Contract Management Group
8	Where possible, the Council should consider introducing penalties, sanctions and incentives to changes to the contract during its current term. In the longer term, the Council should use the experience gained from this contract to decide the structure for the new contract and include this in the specification for when the contract is up for renewal in 2018. This will form part of the Action Plan for the Group	December 2016	FM Contract Management Group

Assignment: Cash Handling (2.16/17)	**Opinion:**	**Reasonable**

The key findings from this review are as follows:

a) Corporate cash handling procedures have been drafted but are yet to be finalised. These are particularly required to prescribe standards and define those controls expected across the organisation. We have reviewed the draft procedures and these satisfactorily prescribe controls in respect of cash receipting, security and banking. With reference to 2 specific points in the drafted procedures, further detail and prescriptive control require definition:

- Transfers of cash between officers; and
- The checking and verification of voided amounts recorded on till rolls.

b) Cash continues to be received by the Council, although in a much smaller amount. We tested these areas (gypsy site payments, market traders and cemeteries) and directly observed controls in operation at the cash receipting station in the closed cash office which is used to process transactions received in the town hall 'drop box' From our testing of these cash transactions, interviews with responsible managers and direct observation of cash receipting and reconciliation processes we are assured that there is generally sufficient control in cash handling, security and documentation with an adequate separation of duties. Our work in this respect did highlight two exceptions. In particular:

c) There was cash received in respect of electricity energy cards purchased by customers on Epsom's gypsy sites. These cards are held and sold by a local store on behalf of the Council. The cash received is recorded in a local sales record and passed to a Housing Officer on a regular basis. A letter of receipt is subsequently issued to the store's

owner to confirm receipt and this letter records details of the cash income transacted. We note from our sample that these letters of receipt have not been issued for transactions since February 2016 (3 months). The absence of receipted records weakens the audit trail and fails to negate the risk of error or fraud occurring.

d) We noted that when occasional 'cash' payments are received by the Cemeteries Officers these are usually significant amounts and are not being processed through the drop box but instead are being taken directly to the cashier (in the closed cash office) to receipt. Current control requirements are that all cash income received must processed through the drop box (as a cashiering officer is not regularly available). Going forward all internal departments will be reminded of this constraint.

e) Cash and cheque payments received through the Council's drop box at the town hall are actively checked on a daily and monthly basis by the Finance Team. We satisfactorily verified these records and note that summary reports are produced for the Head of Finance on a regular basis. These scrutiny controls continue to provide assurance that levels of cash and usage trends are being actively monitored.

	Agreed Management Action	Implementation Date	Manager Responsible
1	The draft corporate cash handling procedures will be updated to provide prescriptive definition of those controls required in respect of: ○ transfers of cash between officers (total values to be evidenced by the signatures of the officers involved); and ○ the checking and verification of voided amounts recorded on till rolls. (Low)	31 July 2016	S Overall
2	All income received by officers in respect of electricity cards for gypsy site customers will be recorded and detailed in a letter of receipt and issued within five working days. (Medium)	30 September 2016	K Ryan
3	All internal cash receipting (from source departments) must be processed via the drop box. All internal departments will be reminded of this requirement and the Exchequer Services Officer will continue to monitor this arrangement going forward. (Low)	31 July 2016	S Overall

Assignment: Data Quality (3.16/17)	Opinion:	Reasonable

This reviewed was from the 2015/16 plan.

The key findings from this review are as follows:

a) At the start of the 16/17 financial year, the Housing Team moved from operating five significantly manual databases (excel spreadsheets) to a singular comprehensive housing case management system. Whilst it is clear the benefits of using such a system, the Housing team should undertake testing to ensure that that all data has been transferred correctly and evidenced as such.

b) When the Customer Relationship Management (CRM) system sends the Transport & Waste Management the number of missed bins for the month, there is currently limited information around the reasoning as to why the bins are being missed (blocked road, human error etc.). This therefore does not allow management to obtain a clear picture as to why the bins are being missed, and as such implement constructive actions going forward.

c) The maintenance of the waste management spreadsheet, which is used to submit monthly performance indicators is currently a significantly manual process, which not only increases the likelihood of errors but requires daily monitoring by the Transport & Waste Management Manager. As such the Transport & Waste Management Team is currently in the process of implementing an integrated waste management system by August 2016. Therefore assurance is required to ensure that date accurately migrates to the new system.

d) We confirmed the Data Quality Strategy is presented on both the intranet and EEBC website and as such readily available for all relevant stakeholders. Furthermore, as part the monthly performance data verification process, we confirmed that responsible owners must confirm adherence to the strategy when submitting backing data for their respective KPI.

e) As outlined in the Data Quality Strategy, the data verification process requires responsible owners to provide source documentation of their monthly PI submission figures (should they be selected), the data originator when submitting the data verification form must sign to confirm the Data Quality Strategy has been complied with. From our review we confirmed a sample of verification forms received by the Consultations & Communications Team were in line with the Data Quality Strategy, having backing evidence for all performance indicators presented which agree back to the monthly PI report.

f) To ensure the strategy is being implemented, an action plan has been developed which outlines targets in relation to data quality which must be completed in a set time frame, whereby responsible owners are also assigned to each target. We confirmed that the action plan is up to date, with all actions having an assigned responsible owner.

g) The monthly and quarterly performance indicators completion check list outlines all individual performance indicators and their responsible owner. We reviewed the performance indicator report produced as at February 2016 and confirmed that all performance has an assigned responsible owner and that performance against each indicator was clearly outlined.

h) The C&C Team verify a sample of data on a monthly basis by sending out verification forms to data originators to provide backing documentation that data is accurate. Verification forms are completed by the KPI originator and the Head of Service is also required to provide assurance that data is obtained in line with the data quality strategy. We reviewed the performance management data verification forms in relation to the performance indicators selected to "deep dive" as part of this review and confirmed that: .

- All were signed by Data originators confirming adherence with 2015/16 definition of indicator;
- All were signed (again by the Data Originator) confirming adherence with Data Quality Strategy);
- The Head of Service for each respective head had reviewed/approved the PI verification and evidenced as such via sign off; and
- All submissions were approved by the C&C team.

Furthermore, as per an IA recommendation from our 2014/15 audit, we noted that all data verification forms now included supporting evidence such as source data to confirm the submissions are accurate.

i) The C&C Team developed a progress report schedule for 2015/16 whereby four quarterly reports are submitted to the relevant committees. We obtained and reviewed minutes of the Strategy and Resources Committee meeting held on 27 January 2016, Social Committee held on 28th January 2016, Leisure Committee held on 26 January 2016 and Environment Committee held on 26 January 2016, and confirmed progress reports had been submitted to these in a timely manner.

	Agreed Management Action	Implementation Date	Manager Responsible
1	The Housing Team will undertake testing to ensure data has been correctly transferred onto new housing case management system. (Low)	30 September 2016	Adama Roberts
2	Post implementation of the new waste management system will include testing of data quality to ensure that reporting continues to be accurate. (Low)	30 September 2016	Adama Roberts
3	Transport & Waste Management team will work with CRM in investigating ways of improving the data received from missed bin complaints, such as implementing a basic questionnaire issued to residents who raise such a complaint, to note any potential reasons as to why the bin collection was missed, such as road works on the road, not leaving bins correctly on the pavement etc, in order to help the Transport & Waste Management team in achieving the missed bin target rate of less than 0.09% bins missed. (Medium)	30 September 2016	Adama Roberts

Assignment: Workforce Planning (5.16/17)	**Opinion:**	**Advisory**

The key findings from this review are as follows:

a) Currently, the HR Team does not have any form of workforce plan in place. Based on the size and static nature of workforce at the Council creating an annual plan may not represent the most effective use of the limited resources at the organisation. There is a risk that without any level of formal workforce planning that Council may not have the necessary staff in place to achieve its short-term and long-term objectives, could commit excessive expenditure through filling posts with temporary staffing and may lose the requisite job knowledge where there is no handover between postholders.

b) The Council takes a more reactive as opposed to a proactive approach to meet the employment demands of the Council. Areas like succession planning are often carried out on a case by case basis and in an ad hoc manner. As a result, the Council is not always taking a strategic approach to establishing future workforce needs.

c) The Council does not formerly monitor the composition of its workforce. Without any form of monitoring this prevents the organisation from actively carrying out succession or retirement planning. Through the use of quarterly planning meetings it would be beneficial to create workforce profiles for each department.

d) We noted that one of the key issues facing the HR department is a lack of resources. As a result of this staffs at all levels have to perform administrative duties in order to manage the day to day work load at the Council. This has prevented the HR team from effectively being able to take a more strategic approach to managing

	the HR function at the Council.

	Agreed Management Action	Implementation Date	Manager Responsible
1	The current resources within HR are extremely stretched (1 Advisor down). With a full complement the aim for the HR Advisors to establish departmental quarterly meetings to improve workforce planning. Actions raised from quarterly meetings will be recorded within an action log for each department. These should be followed up on in each subsequent quarterly meeting until they have been implemented. Further discussion at LT has outlined WP as a priority and HoS have agreed to review their own areas independently initially with HR input to come at a later stage. HR will provide initial data to HoS on turnover, retirement , age profile etc.	31 March 2017 This will be dependent upon making an appointment to the team prior to Christmas 2016	Shona Mason
2	The need to be more proactive is recognised and the Council are taking action through the development of an Organisational Development Plan 2016-2020 which includes a range of initiatives. There are six themes one of which includes Culture, Structure & Job Design to support with reviewing future workforce need. The creation of a template will be added to the Organisational Development Plan. Further work with the LT is to be undertaken as described above	31 March 2017	Shona Mason
3	A further review of workforce information to be presented at Leadership Team meetings is due to take place in Autumn 16. As part of the review HR will aim to provide this information to service areas on a quarterly basis depending on resourcing levels within the HR Team. Annual workforce statistics such as age, gender, disability etc are reported to Committee. HR will seek to enhance this data as suggested.	31 March 2017	Shona Mason

Assignment: Business Process Review – Democratic Services	**Opinion:**	**Reasonable**
The Council's Committee reporting and support process provided by the Democratic Services Team was subject to an internal Business Process Review (BPR) in 2015 which resulted in the Members Mobile Project. This was agreed by the Strategy and Resources Committee on 24th March 2015. The key findings from this review are as follows: a) We satisfactorily verified that the business proposal was defined in terms of outcomes and benefits and that this was agreed by the Strategy and Resources Committee on 24th March 2015. The agreed Business Case identified this project as a "spend to save" proposal with the objective to cover costs within 5 years.		

b) We examined the cash flow forecast attached to the project and verified that the total expenditure (capital & revenue) for the five year period was projected to be £155,800. Savings of £182,000 were identified for the same period. A net saving overall of £26.2K was therefore anticipated.

c) One of the key benefits anticipated from the delivery of the paperless system was a saving in paper and postage expenditure. This was estimated at £10,000 per annum. We have been unable to verify this estimate from expenditure records provided to us. The total corporate spend for paper within the print room is £8000 and estimates supplied to us by the Print Room Manager are that paper and postage per committee cycle was circa £700 (£2,800 per annum).

d) If a £3,000 figure is supplemented for the £10,000 estimate originally included in the spend to save proposal, the original projection of a £26,000 overall saving in 5 years is turned into a small loss of £8,800.

e) We satisfactorily verified that there is clear evidence of systematic and well documented project management and phased implementation of new systems and associated workflows. This has been accompanied by evidence of good governance and scrutiny of progress from a project forum where action issues and risks were fully considered.

f) Management records document the progress of implementation through 85 actions. As at September 2016 there were 22 actions still in progression. We note that lean workflow processes managed through the Mod Gov software are in operation for three Committees, with a fourth about to start. There is currently no projected timeline for the phased implementation of these new workflow processes across the remaining eight Committees although it is anticipated that these will occur in the near future. In this respect a management action has been agreed.

g) Feedback from Officers is very positive regarding the efficiencies obtained from the project. Implementation has gone smoothly and the response from members re the accessibility, flexibility and efficiency of the paperless system has been very good.

h) Annual cost savings of £36,000 per annum were anticipated. The two most significant elements of cost savings earmarked (representing 94% of savings - £34,000) were:

- The reduction of 0.6 FTE staff from the Democratic Services Team (£24,000) from the use of leaner support processes;
- The savings on paper and printing (£10,000).

In both cases these have been considered to have been achieved. In respect of the print costs specifically, these are hard to quantify given they form part of wider budgets for all Council printing, however costs of paper and postage have reduced and there has been a saving on staff time as a result of no printing.

i) We examined current budgets and discussed with Officers. We found that:

- The Democratic Service's Teams salary budget was accordingly reduced to reflect the anticipated efficiencies arising from the project.
- Democratic Services expenditure on paper and postage is not discreetly captured in accounting systems. It is included in total print room costs which are recharged as a corporate overhead at the year-end. The total corporate expenditure on paper for 16/17 is however forecast to remain at levels similar to that of 2015/16 and in this respect further investigation is merited.

	Agreed Management Action	Implementation Date	Manager Responsible
1	A post implementation review will need to revisit the initial estimation of paper expenditure savings set at £10,000 within the original spend to save business case. The spend to save rationale and model projections will need to be evidenced against historic income and expenditure. A post implementation review will take this analysis forward and will be conducted before the year end	31 March 2017	S Young
2	A clear timetable of phased implementation of new lean workflows for all committees will be scheduled and monitored going forward.	30 November2016	S Young
3	As expenditure on paper is remaining constant within the organisation for 2016/17, contrary to an anticipated reduction arising from the implementation of paperless committee systems, further investigation is merited.	31 December 2016	S Young

Assignment: Rent Account Reconciliations (4.16/17)	**Opinion:**	**Partial**

The key findings from this review are as follows:

a) Most of the cost of the bed and breakfast accommodation and the gypsy site rents is paid through housing benefit claims. Some temporary accommodation tenants are required to pay part of the rental cost of their accommodation to the Council. There are charges for water and sewage for the Gypsy Site pitches which are not paid by Housing Benefit and which are collected in cash by the Gypsy Liaison Officer. Some of the Council's tenants are now in receipt of Universal Credit, which is replacing Housing Benefit. This may create new demands on the service if it leads to an increase in rent arrears.

b) The Council uses the Academy system provided by Capita for its housing benefit and rent accounts. However there have been considerable problems with the rent accounts system which has led to a high level of manual working. The system receives automatic housing benefit payments but all payments by tenants have to be input to the rent accounts manually. The system does not allow older accounts to be closed meaning they appear to be in continually growing arrears. The Housing Operations Manager has been asked to research alternative rent accounting systems.

We found the following controls to be adequately designed and operating as expected, subject to the issues listed in the Action Plan below:

c) Cash collections in respect of the Greenlands Gypsy Site pitches are recorded and banked through the cashiering drop box. We confirmed for a sample of twenty weeks that the collections had been receipted by the Cashiers from the Icon cash collection system.

d) Rent received through the Icon system, by online payment or through the drop box, is posted to the Rent Accounts system manually. We verified all 45 payments for bed and breakfast received on three days that they had been posted to the correct rent account. We verified for a smaller sample that payments recorded in the rent accounts relate to payments received in Icon.

e) We confirmed that housing benefit received into the rent account system is reconciled to the housing benefit system for each week.

f) Arrangements have been made with Capita, the provider of the Academy system, for the closure of historic accounts and for the system to charge rent per day instead of per week, which requires manual adjustment at the end of tenancies. This depends on the Council upgrading the system which is planned for the end of August 2016.

g) We confirmed that recent rent accounts are now opened and closed in Academy.

	Agreed Management Action	Implementation Date	Manager Responsible
1	The arrangement for the collection of gypsy site payments will be reviewed to look for an approach that can always avoid cash being held by the Gypsy Liaison Officer overnight or over the weekend. (Low)	Immediate	Annette Snell/Kevin Ryan
2	Documentation will be considered that can provide a clear easy to maintain record of payments made by gypsy site tenants that can be made available for them if required, such as a clear card system showing debt per week and payment received per week which could be maintained by the Gypsy Liaison Officer. (Low)	September/October 2016	Annette Snell/Kevin Ryan
3	A weekly reconciliation of payments received through the cash receipting system to payments uploaded into Academy will be set up. (Medium)	September/October 2016	Annette Snell/ Head of H&ES
4	The arrears procedure will be revised to specify at what point the first arrears letter should be sent. This will take account of the financial circumstances of the tenant. (Medium)	Oct/Nov 2016	Juliette Martin /Dammika Vithanage
5	Staff capacity to pursue arrears will be reviewed in the light of the functionality and administrative requirement of the upgraded Academy Rents system, the planned replacement rent accounting system and the consequences of the introduction of Universal Credit. (Medium)	Oct/Nov 2016	Juliette Martin /Dammika Vithanage
6	Until the Academy Rents system charges on a daily basis or a new rent system is installed and able to do this, flagging of items needing input and having been input will be made clearer in the diary used to record closed accounts. (Low)	Oct/Nov 2016	Annett Snell

PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

Report of the:	Director of Finance and Resources
Contact:	Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annexe 1 - Update on implementation of Internal Audit recommendations
Other available papers (not attached):	Minutes of the meeting of the Committee, 16 April 2016.

REPORT SUMMARY

This report outlines progress made on implementing internal audit recommendations to strengthen the control environment.

RECOMMENDATION (S)	*Notes*
(1) The Committee is asked to note and comment on the progress on the implementation of internal audit recommendations from high risk audit reviews from the 2015/2016 and 2014/15 audit programme.	

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 internal auditors (RSM) track the progress in the implementation of audit recommendations throughout the year and provide an annual overview of the number of recommendations implemented, partially implemented, superseded and outstanding. Their review focuses on high and medium recommendations only.

2.2 They reviewed 11 high and 42 medium recommendations from 2014/2015 audits. This highlighted some concerns as a number of recommendations were outstanding or they had not been able to obtain an update from the relevant manager. Overall 15 recommendations were outstanding .The main area of concern was the procurement audit where 9 recommendations had not been implemented.

2.3 The Committee asked for an update on the project management and contract management reviews at its meeting on 16 April 2016. This is included within this report.

3 Proposal

3.1 As part of tracking progress, we have undertaken an internal review of the higher risk reports from 2015/16 and 2014/15. This focuses on all reports categorised as a red, amber/ red or partial assurance. The details are provided in Annexe 1 as to the current position rather than just individual recommendations.

3.2 Overall, good progress is made in implementing the recommendations from the following reviews:

PCI Compliance – one recommendation is outstanding regarding the call recording system. The system is currently being tested.

Project Management - the project management arrangements have been developed and key corporate projects are being monitored by the Leadership Team and further training is being rolled out to all managers.

Income from Car Parks – all recommendations have been implemented.

Procurement of Agency Staff – the new arrangements are in place ensuring compliance with relevant legislation.

Payroll – all recommendations have been implemented

3.3 Slower progress has been made in the implementation of recommendations from the following:

Procurement - some recommendations have been implemented although there have been delays with the overall implementation. Action is being taken to address this and ensure arrangements are in place by March 2017.

Contract Management - The contract monitoring arrangements will be improved once the project management and procurement recommendations are fully implemented.

Property Maintenance – the recommendations are in the process of being implemented.

Facilities Management – the recommendations are not due to be fully implemented. Some progress has been made and action is being taken to improve the contract monitoring arrangements although this will take time to embed.

Data Quality - not all of the recommendations have been implemented from this review due to changes to the performance management framework.

4 Financial and Manpower Implications

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

4.2 ***Chief Finance Officer's comments*** There are no direct financial or manpower implications for the purposes of this report.

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

5.1 ***Monitoring Officer's comments:*** *There are no legal implications arising directly from this report. Internal Audit reports form a key part of the Council's governance arrangements, and it is important that agreed recommendations are implemented. Where, for example, a recommendation is superseded by a change in circumstances, this should be documented. There can be legal implications if key recommendations are not implemented.*

6 Sustainability Policy and Community Safety Implications

6.1 None.

7 Partnerships

7.1 None.

8 Risk Assessment

8.1 Failure to track the progress of implementing recommendations could result in weaknesses in control and increased risks.

9 Conclusion and Recommendations

9.1 The Committee should note that good progress has been made in implementing the recommendations in some areas. Those areas where progress is slower or the recommendations have not been fully implemented will continue to be monitored and reported to Committee.

9.2 The Committee is asked to note and comment on the progress.

WARD(S) AFFECTED: (All Wards);

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INTERNAL AUDIT 2015/16 MONITORING

SUMMARY OF AUDIT REPORTS

This report provides an update of the implementation of recommendations from all key 2015/16 and 2014/15 audits. These are designated as Red, Amber /Red or key advisory reviews and are shown in red.

	ALL 2015/16 AUDITS	**OPINION**	**RECOMMENDATIONS**		
			HIGH	MED	LOW
1	ATTENDANCE	GREEN	-	1	1
2	RECRUITMENT	AMBER/GREEN	-	1	5
3	REVIEW OF ANTI FRAUD AND ANTI BRIBERY ARRANGEMENTS	ADVISORY	1	5	3
4	CASH HANDLING	AMBER/GREEN	1	2	3
5	VENUES	AMBER/GREEN		1	1
6	INFORMATION GOVERNANCE	AMBER/GREEN		2	8
7	**PROPERTY MAINTENANCE**	**AMBER/RED**	1	1	2
8	**PCI COMPLIANCE**	**AMBER/RED**	3	6	
9	**PROJECT MANAGEMENT**	**ADVISORY**		7	
10	**CONTRACT MANAGEMENT**	**ADVISORY**		7	
11	**INCOME FROM CAR PARKING**	**AMBER/RED**	1	1	1
12	FLEET MANAGEMENT	GREEN			2
13	PAYROLL	AMBER/GREEN		1	3
14	CAPITAL ACCOUNTING & ASSET MANAGEMENT	GREEN			0
15	GREEN WASTE INCOME	AMBER/GREEN		2	1
16	SOFTWARE LICENSING	AMBER/GREEN		4	2
17	PERFORMANCE MANAGEMENT	AMBER/GREEN		2	1
18	**FACILITIES MANAGEMENT CONTRACT REVIEW**	**ADVISORY**			
19	DATA QUALITY	REASONABLE PROGRESS		1	2
	2014/15 KEY REPORTS	**OPINION**	**RECOMMENDATIONS**		
			HIGH	MED	LOW
1	**PROCUREMENT AGENCY STAFF**	**RED**	5	3	1
2	**PROCUREMENT**	**RED**	5	4	1
3	**PAYROLL**	**AMBER/RED**	1	5	1
4	**POST IMPLEMENTATION REVIEW OF CRM**	**ADVISORY**	1		
5	**DATA QUALITY**	**AMBER/RED**	-	5	1

DETAILED UPDATED ON RED & AMBER/RED REPORTS AND KEY ADVISORY REPORTS

2015/16 AUDITS

PROPERTY MAINTENANCE (January2016) - Amber/Red			
Summary	.		
	Recommendation	Status	
L	Independent condition surveys are not currently affordable for all buildings. However there is a programme of investment needs for all buildings and it is planned to refresh this.	A schedule identifying a 10 year programme of maintenance has been completed and funding needs to be considered. Once funding is agreed further condition surveys can be commissioned.	A
L	The programme of property investment needs does not factor in a schedule of condition surveys.	Conditions surveys to be prepared as above.	A
H	Review the property portfolio with a view to reducing future liabilities.	The Head of Property is undertaking a review of all land and properties including sales and acquisitions to review the Council's property portfolio	A
M	Management does not receive reports of statutory testing and maintenance completed by contractor.	Improved reporting mechanisms are being put in place.	A

PCI COMPLIANCE (PAYMENT CARD INDUSTRY)(November2015) - Amber/Red			
Summary	A new PCI policy was approved in October by the Leadership Team. This clarifies roles and responsibilities, training requirement s and clarifies ICT security and dataflow.		
	Recommendation	Status	
M	A training schedule for specific annual PCI Training has been agreed		G
M	A PCI Policy was agreed by the Leadership Team in October 2016		G
M	An ICT have a mapping document has been developed .		G
M	No PCI Data Flow Diagram exists that sets out the high level view of PCI data flow. - This was not put in the strategy but the dataflow is explained in the mapping document		G
M	A compliance certificate will be requested from all 3rd party suppliers. To ensure there is a mechanism is in place to track the PCI status for 3rd parties.		G
M	Adelante have confirmed that they are fully PCI compliant		G

H	The Council's VPI call recording software is not PCI compliant as the vendor does not support PCI requirements.	This is still under review and being tested	A
L	A formal PCI specific training schedule and policy are in place.		G
H	A screen is in place to cover the computer screen in reception ensuring the credit card numbers cannot be viewed by the CCTV camera, breaching security. A		G
H	The formal PCI roles and responsibilities have been documented within the policy .		G
PROJECT MANAGEMENT (January2016) – ADVISORY			
Summary	This advisory review identified a lack of formal project management and an inconsistent approach. They recommended a range of improvements. This included a single set of project management documents and templates with a key set of principles, a complete register of projects should be maintained. All key projects should have a sponsor or a Board and all should have a lessons learnt review at the end. All risks should be recorded and escalated when necessary. A project management toolkit has been developed with a set of templates. They are already in use and further training will be given at the Managers Huddle in November. A list of all key corporate projects is maintained and monitored by the Leadership Team. Post Implementation Reviews have been undertaken on a number of projects to identify lessons to be learnt and a number are planned in 2017.		
CONTRACT MANAGEMENT (January 2016) – ADVISORY			
Summary	This review was undertaken concurrently with the project management review and identified similar issues. There were limited formal contract management arrangements were in place. A contract register has been completed and further work will be done on this through the procurement improvements. Once the project management training has been completed, training will arranged for all managers on good contract management principles to ensure there is good governance and priority to the larger contracts.		
INCOME FROM CAR PARKS (March 2016) - Amber/Red			
Summary	.All completed		
	Recommendation	Status	
L	A sign out sheet has been introduced at the Ashley Centre office for the removal of parking machine keys		G
H	All significant discrepancies both positive and negative are now investigated and the amount collected reconciled to the audit ticket by the Parking Supervisor. All differences over £10.00 are reported to the Head of Service in a monthly report.		G
M	A write -off procedure for PCNs is now in place.		G
FACILITIES MANAGEMENT UPDATE LATE (September 2016) – ADVISORY			
Summary	The Building Surveyor is the nominated Contract Manager and has been working with Kier to improve contract monitoring arrangements		
	Recommendation	Status	

Advisory	The Council should work with the supplier to revise the KPIs within the contract so that they more accurately measure the service being provided.	Meetings are now held monthly and not quarterly. The Snr Building Surveyor is in the process of agreeing revised KPI's	A
Advisory	A formal programme of pre -planned maintenance must be agreed which can be performance managed. A monthly KPI score to determine the effectiveness and efficiency of work carried out in the area.	This will be included within the new contract mont arrangements	A
Advisory	The Council should consider strengthening protocols for managing variable work orders. This should include with formal sign offs. :	A log of all new instructions is now maintained	G
Advisory	Improve involvement of all stakeholders in the contract including user satisfaction surveys.	Surveys are issued to clients to comment on the service. Client meetings will be held quarterly to discuss contract issues.	G
Advisory	The Council should monitor the value of the contract to the supplier and how much additional work is awarded to the supplier and use this information when re-tendering.	The log of all new instructions recorded the work allocated to different contractors	G
Advisory	The Council should monitor the risk of cost escalating as a result of the condition of the estate.	This is part of recommendations within the property maintenance audit	A
Advisory	The Council should review provisions within the contract and explores their use in improving performance and holding the supplier to account.	The performance issues will be addressed through the monthly meetings and improved KPI's. Formally holding the supplier to account is difficult due to the contract conditions.	A
Advisory	Where possible, the Council should consider introducing penalties, sanctions and incentives to changes to the contract during its current term. And in the longer term when the contract is up for renewal in 2018.	These will be considered when the contract is retendered.	A

2014/15 AUDITS

PROCUREMENT - AGENCY STAFF (January 2015) –Red			
	Recommendation	Status	
Summary	The recommendations are completed. The new Matrix SCM system went live on 1st August 2016 ensuring the council are fully compliant with procurement legislation and the Agency Worktime Directive		
H	Planned approach to comply with EU procurement directive		G
H	Added as a risk on Corporate Risk Register		G
L	Rates of pay for Agency Staff should meet the living wage		G
M	More formal undertaking that agencies pay the same rates the Council		G
M	Review of Pinpoint Recruitment terms of business		N/A
M	Review of Berry Recruitment terms of business		N/A
H	Procedures should be developed to provide HR with details of agency staff		G
H	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.		G
H	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		G

PROCUREMENT (February 2015) –Red			
	Recommendation	Status	
Summary	A project group has been working to address the outstanding recommendations, although there have been limited staff resources resulting in some slippage. The CSO's have been updated, the Procurement Strategy is being drafted and the Contract Register is being updated. The e-tendering system can go live once the terms and conditions are agreed and staged roll out has been agreed.		
H	Revise and update the Procurement Strategy	In draft. This needs to be reviewed and agreed.	A
M	Performance Monitoring of key procurement functions	Use of PO's now monitored. KPI's will be agreed.	A
M	CSO's have been updated and reviewed		G
M	Procurement Toolkit to be updated	Will form part of Procurement Strategy and guidance	A
H	Use of PO's was mandatory from 1st October and is being monitored		G
H	Improved monitoring arrangements for non-	Thresholds updated in CSO. Monitoring to be agreed	A
H	Update the Contract Register	To be sent to all managers	A
L	Potential duplicate was repaid		G
H	Risks recorded in the Leadership Risk Register		G

M	Requirements of the Transparency Agenda	Mostly compliant some additional actions to be completed	A
PAYROLL (May 2015) – Amber/Red			
	Recommendation	Status	
Summary	All recommendations have been implemented and followed up in 2015/16 review		
M	Reducing errors on net pay , a secondary verification is in place		G
L	Reconciliations are now timely		G
H	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 are in place		G
M	Improve the segregation of duties - no BACS key cards to be shared is in place		G
M	All BACS to the HMRC are authorised in advance and a monthly timetable agreed		G
M	Finance Team and Payroll operate one overpayments list		G
H	Regular meetings are now held with the Finance Team and Payroll .		G
POST IMPLEMENTATION REVIEW OF CRM (June 2015) – Advisory			
Summary	The audit report identified that the CRM was high risk due to the lack of support and workarounds in place and recommended that the system be stabilised, designed, developed and supported or that there was a full re-implementation of CRM 2011. The CRM Board was established to address the issues and they have developed an action plan for both the short term and medium term requirements. A halt was placed on any further development work. Solutions to some problems are addressed in house and an external support contract has been agreed. A number of workshops have been held with the Leadership Team to start considering the medium term options in replacing the current system to establish what service will be required.		
DATA QUALITY (December 2014) - Amber/Red			
Summary	The new performance management framework has been agreed which has simplified the process and altered the PI's collected. Once the first committee cycle is completed new corporate PI's will be agreed by the Leadership Team. Data Quality was audited in 2015/16 and given reasonable assurance.		
	Recommendation	Status	
M	Evidence of primary systems verification - form to be amended to show confirmation and submission of evidence		G
L	Timetable /Action plan for Green Waste discrepancies	A timetable was agreed although there is slippage chasing up customers	A
M	Customer Services should report PI's such as income collected from Green Waste to the Leadership Team	Superseded whilst PI's reviewed.	A
M	Monthly reconciliation of PCN's to Si Dem should be completed		G
M	Purchase of updated software to record homeless cases		G
M	Dip sampling of sickness levels should be completed to ensure all is recorded and the documentation available for longer absences	Completed and reported to HR Panel and will be monitored by the Leadership Team	G

RISK MANAGEMENT FRAMEWORK ANNUAL REPORT

Report of the:	Director of Finance and Resources
Contact:	Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annexe 1 - Risk Management Strategy 2017-2021 Annexe 2 – Flowchart of Risk Annexe 3 - Leadership Risk Register
Other available papers (not attached):	

REPORT SUMMARY

This report enables the Committee to meet its responsibilities for monitoring the development of the Council's risk management arrangements.

RECOMMENDATION (S)	*Notes*
That the Committee: **(1) Agrees the updated Risk Management Strategy 2017-2021 attached at Annexe 1.** **(2) Considers the contents of the report and confirm that they are satisfied with the arrangements in place.** **(3) Reviews the Leadership Risk Register and determines if there are any matters they wish to raise to the Leadership Team.**	

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

1.1 Effective risk management is an integral part of ensuring that services are delivered.

2 Background

2.1 Since 2012, the Committee has received an annual report on the Council's risk management arrangements. The role of the risk management framework is to provide a focus on good practice and to facilitate, guide and train. Many risks are timeless and are managed on a daily basis through internal controls and policies such as the financial regulations and data protection principles. Risk management covers both strategic and operational elements incorporating insurable risks, emergency planning and business continuity, health and safety risks and the Council's risk registers.

2.2 Risks are proportional and we are required to take risks in order that we can take opportunities to deliver services in innovative ways.

2.3 The Council has strengthened its arrangements for risk management and is now embedding them through the Leadership Team. Key improvements and events during 2015/2016 include;

2.3.1 All key corporate projects are identified, monitored and risk assessed by the Leadership Team and the detailed risks are identified and controlled through the project management framework.

2.3.2 The Corporate Governance Group has responsibility for identifying and escalating common risks to the Leadership Team and promoting changes to corporate governance arrangements.

2.3.3 The Leadership Team review and challenge the top ten risks within the Leadership Risk Register on a regular basis and also review the risks within the Service Risk Register.

2.3.4 The arrangements for emergency planning have been strengthened to improve resilience and all members of the Leadership Team have had training and have been provided with the emergency cascade list. Two exercises were held to provide training and awareness on emergency planning and business continuity and further work is being done to strengthen departmental business continuity plans.

2.4 The Head of Internal Audit's opinion for 2015/16 agreed that the Council has an adequate and effective framework for risk management and governance.

3 Risk Management

3.1 The Risk Management Strategy attached in annexe 1 has been updated to reflect the changes to roles and responsibilities and the need to have an integrated approach to risk management. This strategy supports the Corporate Plan and is an integral part of ensuring services are delivered during organisational change and the current financial pressures.

3.2 The Council maintain a Leadership Risk Register, Service Risk Register and Partnership Risk Register. Details on the Council's insurable risks are reported annually to the Strategy and Resources Committee. To assist the Committee, an overview of the Council's risk management arrangement is provided in Annexe 2.

Leadership Risks

3.2 The Leadership Risks consist of the top ten risks at the senior leadership level. These are refreshed at least twice a year. It was last reviewed by the Leadership Team in September and by the Corporate Governance Group in October. The Leadership risks are as follows:

L1	**Delivering further efficiency savings through the Cost Reduction Plan as part of the MTFS.**	**High**
L2	**Gaps in staffing resources affecting resilience levels and the ability to deliver services**	**High**
L3	**Limited workforce planning in place to review future requirements including staffing levels, skills, pay gap and resilience corporately and departmentally.**	**High**
L4	**Failure to take opportunities for transformational change and IT related changes and corporate projects.**	**High**
L5	**The resilience and efficient running of all IT systems, networks and applications.-**	**Medium**
L6	**Compliance with Data Protection and Information Governance legislation and best practice**	**Medium**
L7	**Introduction of the new Waste Strategy and the new Transport Fleet by March 2017.**	**High**
L8	**Managing the Council's assets portfolio to maximise income and minimise costs.**	**High**
L9	**Managing the risk of delivering phase 1 of Plan E improvement scheme with various partners.**	**High**
L10	**Delivering more affordable housing and managing the cost of homelessness.**	**Medium**

National Risks

3.3 Zurich Municipal monitors the changes in local government risks and the top three risks facing local government remain budget pressures; changes to policy, legislation and regulation; and workforce planning. Additional risks to local authorities include environmental factors such as flooding and storms, reputation, social media, data protection and transformational change.

Service Risks

3.4 The Service Risks are obtained from the Divisional Assurance Statements that all Heads of Service complete as part of the process to complete the Annual Governance Statement. In 2016 a total of 53 service risks were identified of which 24 were high risks. In comparison, in 2014/15 86 service risks were identified, 27 of which were high risks. All high risks are allocated a risk owner and an action to address the risk.

3.5 The Leadership Team has reviewed the service risks and these are linked to the Leadership Risk Register. Some risks were identified in several service areas and therefore are highlighted as a strategic risk although there is a clear difference between the operational and strategic issues.

3.6 Some of the key risk issues identified are:-

3.6.1 Financial deficit following the settlement and additional cuts above the 4 year settlement EEBC has received.

3.6.2 Property funds and investments and ensuring that they are set up and managed legally and appropriately.

3.6.3 Stretched staffing resources with a number of vacancies affecting the ability to deliver services.

3.6.4 Weaknesses in procurement and contract management.

3.6.5 Budgetary overspends on temporary accommodation and homelessness.

4 Financial and Manpower implications

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

4.2 ***Chief Finance Officer's comments*:** Effective risk management is an integral part of ensuring that services are delivered, and the Council's Risk Management Strategy provides Members with an understanding of key risks and issues of concern and the actions proposed to mitigate risk, including financial risks to the Council.

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

5.1 The Council must publish an Annual Governance Statement.

5.2 The Council has a duty under the Civil Contingency Act 2004 as a category 1 responder. This means that we must work together with a range of other agencies to plan for and respond to a wide range of possible emergencies, in categories including risks of flooding, major accidents, terrorist attacks and many other types of incident. This is relevant when assessing the risks to our own organisation, particularly in respect of business continuity – we need to be able to continue to undertake our category 1 responder role even when issues directly affect our own operations.

5.3 The Council have an integrated emergency strategy which maps the arrangements in place to prevent, control and mitigate the effects of an emergency. This is regularly tested and supported by a range of other plans. Training has been given to the Leadership Team.

5.4 ***Monitoring Officer's comments:*** It is important that members understand and oversee the risks faced by the Council and raise issues of concern.

6 Sustainability Policy and Community Safety Implications

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

7 Partnerships

7.1 The Council will work with the Internal Audit to improve risk management.

7.2 The Council continues to work with the London Borough of Sutton to handle insurable risks and improve operational risk management through improved record keeping, training, inspection regimes and feedback on claims.

8 Risk Assessment

8.1 Risk management is an integral part of delivering services and it helps the Council to:

8.1.1 Improve strategic, operational and financial management;

8.1.2 Implement robust operational and service performance;

8.1.3 Maximise opportunities and minimise losses.

9 Conclusion and Recommendations

9.1 The Committee is asked to:

9.1.1 Agree the updated Risk Management Strategy.

9.1.2 Consider the report and confirm they are satisfied with the arrangements in place.

9.1.3 Consider the leadership risks and comment on any of the issues raised.

WARD(S) AFFECTED: (All Wards);

Risk Management Strategy 2017-2021

1. Introduction

1.1 This strategy supports the Corporate Plan and the delivery of all key priorities supporting all key strategies, policies, and the delivery of services to the community.

1.2 Risk management is about managing opportunities and threats to objectives and in doing so help create an environment of "no surprises".

1.3 Good risk management improves governance through the Council's Code of Corporate Governance and enhances value for money.

1.4 The Risk Management Strategy has been updated to ensure risks are reviewed methodically and logically but avoid the creation of bureaucratic burden.

1.5 Effective risk management is an integral part of ensuring services are delivered during organisational change and the current financial pressures.

2. Objectives

2.1 The objectives of this strategy are to have integrated consistent approach through:

- Integrating risk management into the culture of the Council and its strategic and service planning processes;
- Implement the risk management framework;
- Communicate risk management to all staff, partners and stakeholders;
- Ensure the benefits of risk management are realised through maximising opportunities and minimising threats;
- Ensure compliance with health and safety, insurance and legal requirements.
- Preparing emergency and business contingency plans to secure business continuity and where there is potential for an event to have a major impact on Council's ability to function.

INTEGRATED APPROACH:

Risks are continually discussed and considered in the context of financial and performance management.

RISK PROCESS:

We have a consistent, iterative process of risk identification, risk assessment, risk monitoring and reporting.

GOVERNANCE:

Risk management roles and responsibilities are clearly defined and regularly reviewed.

3. Risk Management

3.1 The focus of good risk management is the identification and treatment of risks. It increases the probability of success and reduces the likelihood of failure and the uncertainty of achieving objectives. Risk management should be a continuous and evolving process, which runs throughout the Council's strategies and service delivery.

3.2 Learning lessons from past activities helps inform current and future decisions by reducing threats and optimising the uptake of opportunities. Celebrating and communicating successful risk management in turn encourages a more daring but calculated approach.

4. Integrated Risk Management

4.1 The Council aims to achieve integrated risk management through a range of processes. Risk Management is an essential element in corporate decision making, including strategic and service planning, financial planning and the Medium Term Financial Strategy, policy making, performance management, project management and partnership working.

4.2 The Council uses risk registers to record risk, they contain clear links to budget monitoring, council performance and any major programmes and projects being undertaken.

4.3 There are a number of levels of risk registers in place; these include the Leadership Risk Register, Service Risk Register, and the annual risk assessment of Budget Targets and the Fraud Risk Assessment.

5. Roles and responsibilities

5.1 Everyone has a role to play in the risk management process.

5.2 All employees and members involved in managing risk should be aware of their risk management responsibilities. However, the ultimate responsibility for risk management lies with the Leadership Team arrangements which are reported to the Audit, Crime & Disorder and Scrutiny Committee. Responsibilities for risk management are shown in the table below.

ROLE	RESPONSIBILITIES
Audit, Crime & Disorder and Scrutiny Committee	Oversee the effectiveness of the risk management arrangements and ensure key risks are identified, managed and monitored.
Leadership Team	Effective implementation, monitoring and review of the Council's risk management arrangements. Identify own and manage the key risks facing the Council.
Heads of Service	Own their service risks. Identify, prioritise and control risks as part of wider Council performance and challenge risk owners.
Managers	Take ownership for actions and report progress to management. Co-operate with risk representatives and report new and emerging risks.

Staff	Assess and manage risks effectively and report risks to management.
Corporate Governance Group	Identify and address cross cutting risks, including key project risks. Identify and escalate common themes to the Leadership Team and make recommendations or changes to corporate risk arrangements and strategic risk. Communicate risk management information to ensure it is understood
Internal Audit Team	Provide assurances that risks through an annual review are adequately managed.
Partnerships	Many services are provided with partnerships. Guidance is available on assessing partnerships and a register of partnerships maintained
Key Corporate Projects	Manage the risks of all key corporate projects through the Corporate Projects List and the project management framework .
Emergency Planning and Business Continuity	Managing the Council's responsibility for incidents that impact on the community and also to try and identify and put in place measures to protect the Council's priority functions in an emergency situation.

6. Risk Management Framework

Effective risk management requires a process of identifying, measuring, managing and monitoring. It is essential that risks are challenged and frequently reviewed.

Risk Identification

The Leadership Team and Managers continually identify risks as part of all strategic and service planning and delivery.

Risk Assessment

This ensures that all risks are judged uniformly across the Council, enabling risks to be objectively scored and compared. The outcome of service level risk assessments is the categorisation of risks according to their impact and likelihood. It assesses using a relatively simplistic grid shown in the Appendix below:

Risk Control

6.1 Actions to address the high and medium risks. The mitigating actions should be focused on reducing the impact or the likelihood of the risks.

Risk Reporting

6.2 The high level risks are kept under review by the relevant area and are reported and challenged.

Defined Strategic Risk Levels

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

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

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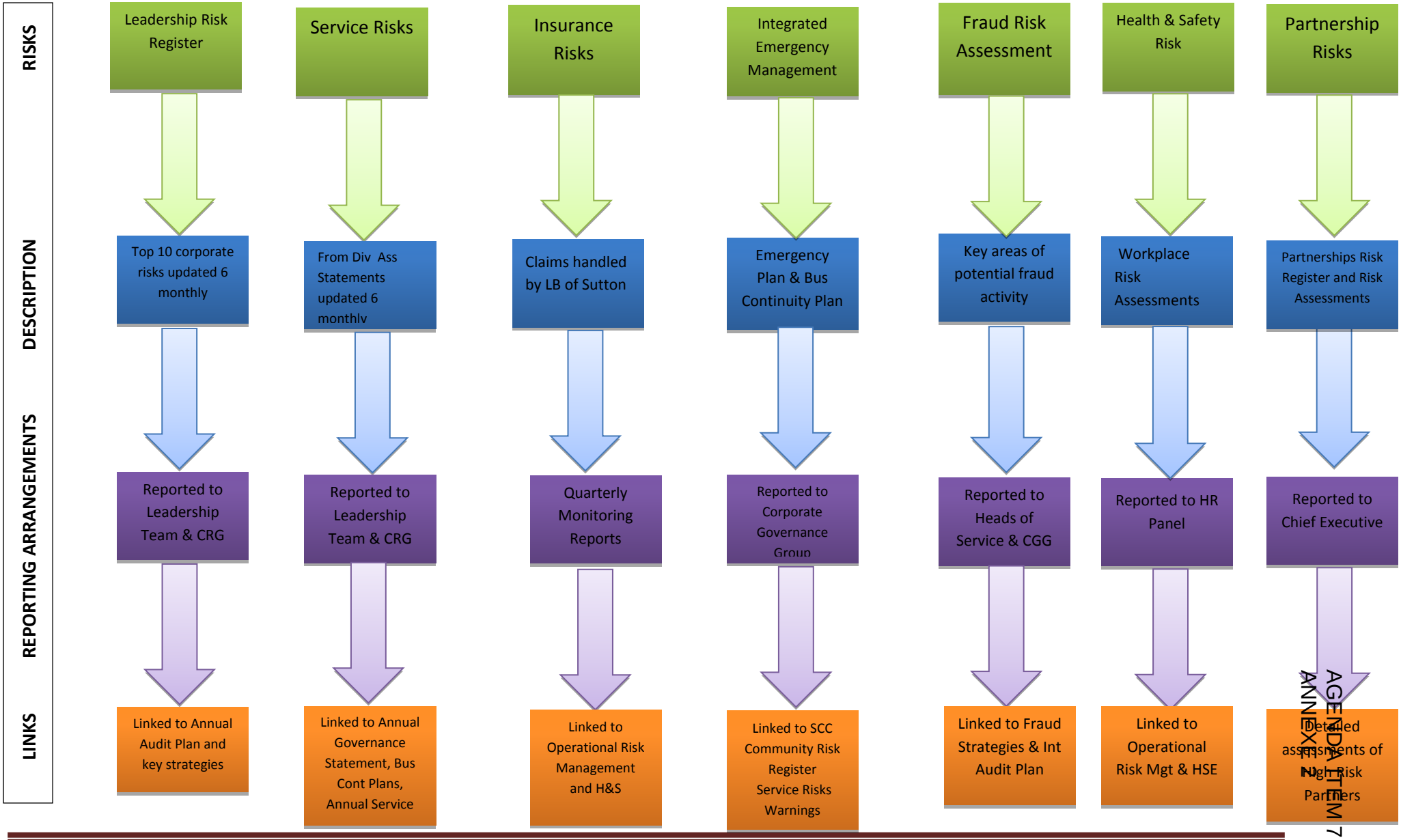
Risk Management Framework - EEBC



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Ref	Description of Risk/ Opportunity	Risk Level	Further Action required	Accountable Officer	Accountable Group	Ref to Draft Corporate Priorities 2016-20	Direction of Travel
L1	Delivering further efficiency savings through the Cost Reduction Plan as part of the Medium Term Financial Strategy There is some uncertainty in the financial markets with lower returns on investments as a result of the decision to leave the EU.	High	Need to identify additional efficiency saving s and sources of income through a range of reviews, projects and further efficiencies On-going monitoring of the financial position	Director of Finance & Resources with efficiencies being delivered by Heads of Service	Statutory Officers & Leadership Team	Managing Resources – Delivering further efficiency savings and cost reductions	No change
L2	Gaps in staffing resources affecting resilience levels and the ability to deliver services.	High	Continue to review high risk areas with gaps and take action as necessary. Use Agency staff to cover and then seek to permanently recruit. Implement recommendations from mini DMA Review Embed use of new arrangements for Agency Corporate Well -being promoted through Well-being week As part of corporate H&S high risk of staff being affected by stress will be reviewed and range of action taken Continue to review highlight reports for delivery of key projects.	Leadership Team	Leadership Team	Managing Resources – Developing multi skilled & motivated staff & delivering further efficiency savings and cost reductions	Reworded

L3	Workforce Planning - review of workforce including staffing levels, skills, pay gaps and resilience corporately and departmentally.	High	Implement recommendations from Workforce Planning Audit Deliver the Organisational Development Plan through strategic streams on culture, structure and job design; reward and recognition and performance enhancement. Roll out training on gaps areas such as information governance, project management, contract management and procurement.	Leadership Team and Head of HR & Org Dev.	Leadership Team/ HR Panel	Developing multi skilled & motivated staff	Reworded
L4	Failure to take opportunities for transformational change and IT related changes and corporate projects.	High	New Business Process Review (BPR) Reviews to be agreed. New website to go live and also the new system for Rev & Bens payment IT Strategy for 2016-2020	Leadership Team	Council	Underpinning all Corporate Priorities.	No change
L5	IT systems – Resilience and efficient running of network and applications .	Medium	Embed the Shared Service Compliance with PCI & Code of Connection (Coco). Review needs as part of ongoing requirements and capital programme	Head of ICT	S&R	Providing services digitally	No change
L6	Compliance with Data Protection and Information Governance legislation and best practice	Medium	The Corporate Governance Group are monitoring the implementation of the Information Governance Action Plan	Head of Legal and Head of ICT	S&R	Underpinning all Corporate Priorities.	No change
L7	Introduction of new waste strategy and the	High	The tendering of the Transport Fleet is being supported by a consultant	Head of Operational	S&R Leadership	Increase in recycled waste	NEW

	new Transport Fleet by March 2107		and a implementation plan is being developed for the changes to waste collection	Services	Team	through a premium weekly recycling collection	
L8	Managing the Council's asset portfolio to maximise income and minimise costs.	High	Head of Property to review all property assets with a view to reducing costs and generating income and agree a maintenance plan for all buildings	Corporate Property Group	Statutory Officer Group & S&R		Reworded
L9	Managing the risks of delivering Phase 1 of Plan E improvement scheme with various partners	High	Surrey County Council is managing the work although there is significant investment from the Council to be managed and monitored as well as the public's requirements.	Head of Place Dev	Leadership Team	Delivery of Plan E to improve traffic flow in Epsom Town Centre ad the delivery of economic dev strategy action pan	NEW
L10	Delivering more affordable housing and managing cost of homelessness	Medium	Continue to monitor the overall costs of temporary accommodation Deliver a number of projects including; Blenheim flats, Additional accommodation, Empty properties back in use, New allocation system live from 1 Sept 16.	Housing Project Team & Director of Finance & Resources	S&R	Supporting and enabling the delivery of affordable homes. Supporting those at risk of homelessness	No change

Defined Strategic Risk Levels

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

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

ANNUAL GOVERNANCE STATEMENT AND EXTERNAL AUDITOR'S AUDIT FINDINGS 2015/16 - PROGRESS AGAINST ACTION PLANS

Report of the:	Director of Finance & Resources
Contact:	Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annexe 1 – The Council's Annual Governance Statement 2015/2016 – progress report Annexe 2 – Progress against residual risks
Other available papers (not attached):	Financial Statements 2015/2016

REPORT SUMMARY

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

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

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

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

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

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

1.4 This Committee monitors the delivery of action agreed in both Governance documents. This underpins the Council's core value of integrity.

2 Annual Governance Statement

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

2.2 The AGS for 2015/16 identified eleven significant governance risks. The control issues identified in the AGS generally reflect the high risk to the delivery of public services during a period of recession and funding cuts. The risks also reflect more specific risks over resilience of smaller district councils. These risks are as follows:-

2.2.1 Public sector funding reductions and on-going financial pressures.

2.2.2 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.

2.2.3 The Council has been through a period of change and a number of corporate governance issues have been addressed although there is further work to refine processes and procedures and monitor the impact of these changes.

2.2.4 Improving the procurement function to ensure compliance with the Public Contracts Regulations 2015 and the Transparency Agenda.

2.2.5 A new performance framework needs to be developed to support the Corporate Plan.

2.2.6 There are a number of weaknesses in the control framework impacting on the PCI (Payment Card Industry) compliance.

2.2.7 The cost of homelessness continues to rise adding to financial pressures

2.2.8 All decisions are not properly reported to committee and reports are of inadequate standard

2.2.9 Lack of assurance that the Council have robust arrangements, appropriate approval, and adequate controls in place for the collection of CIL and S106 monies.

2.2.10 Fraud training and awareness needs to be provided to all staff.

2.2.11 Health and safety risks are not effectively managed

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

2.4 A detailed work plan is in place to addresses the control issues identified in the 2015/16 Annual Governance Statement.

3 Annual Findings from External Audit

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

3.2 The External Auditor presented the Audit Findings to Strategy and Resources Committee on 27 September 2016.

3.3 An unqualified opinion was issued for 2015/16.

3.4 The External Auditor identified two residual risks following their Value for Money conclusion (VFM) . These were that the Council should explore the reporting on the non domestic rates (NDR) system to enable a detailed listing to be run (medium risk) and that the Council should ensure that monitoring the financial position is a priority throughout the year in light of stretched capacity of the Finance Team and the Leadership Team (medium risk) . Progress made on the action plan is shown in Annexe 2 to this report.

4 Financial and Manpower Implications

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

4.2 ***Chief Finance Officer's comment:*** The External Auditor has given the Council an unqualified opinion on the Statement of Accounts for 2015/16. The Annnual Governance Statement is the key part of the controls in place to ensure effective governance across the organisation.

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

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

5.2 ***Monitoring Officer's comments:*** *As stated above, the Annual Governance Statement is a key part of the controls in place to ensure that the Council is doing the right things, in the right way, at the right time.*

6 Sustainability Policy and Community Safety Implications

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

7 Partnerships

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

8 Risk Assessment

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

9 Conclusion and Recommendations

9.1 Positive progress has been made in addressing the action required to improve the significant control issues identified in the 2015/16 financial statements.

9.2 The Committee is asked to note;

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

b) The Action Plan agreed with the External Auditor and contained in the 2015/16 Audit Findings.

WARD(S) AFFECTED: (All Wards);

Annual Governance Statement: Significant Governance Issues

No.	Issue	Agreed Action	Progress to date (November 2016)
1.	Public Sector funding reductions and on-going financial pressures	Due to in-house 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.	The S&R Committee agreed a 4 year finance settlement from DCLG which provides clarity over the financial position. There remains budget pressure to meet efficiencies which need to be identified and built into the budget targets for 2017/18 and going forward.
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	The prioritisation of resources through the corporate projects list and implementing of these key projects to improve efficiencies. Implement recommendations from the DMA review and the LGA peer review. Agree an organisational strategy 2016-2020 to support the Corporate Plan Conduct a staff survey and review the outcome One Team Staff Forum and Managers Huddle	The Leadership Team is driving forward a number of initiatives. The corporate projects list is maintained and updated regularly by the Leadership Team with regular Highlight Reports on key projects
3.	The Council has been through a period of change and a number of corporate governance issues have been addressed although there is further work to refine processes and procedures and monitor the impact of these changes	Address issues through the action plans for the corporate groups covering -Corporate Governance – Procurement -ICT Customer Focus -Economic Vitality -Corporate Property.	The Corporate Procurement Group has been amalgamated into the Corporate Governance Group. The Groups have agreed work plans in place and report to the Statutory Officers Group

Annual Governance Statement: Significant Governance Issues (Cont)

No.	Issue	Agreed Action	Progress to date (November 2016)
4	Although some work has been undertaken in 2015/16, the Council is not fully compliant with the Procurement Legislation 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.	The Contract Standing Orders were approved in July. There has been a delay in implementing the joint working arrangement due to a lack of resources, some work has been undertaken and the e-procurement system will go live in October with a staged implementation.
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	The new performance framework has been agreed and will be used to report the new KPI's in the autumn committee cycle
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.	The Council has an obligation to review its PCI compliance on an annual basis. A PCI Policy has been drafted and internal audit will review our arrangements in November
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.	A range of initiatives are in place including preventative work and the private sector leasing scheme. have been introduced and this has reduced the number of families in bed and breakfast from 90 in Sept 2015 to 50 in Sept 16. Work has also started on refurbishing the flats to provide additional temporary accommodation.

Annual Governance Statement: Significant Governance Issues (Cont)

No.	Issue	Agreed Action	Progress to date (November 2016)
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	All reports are compiled on ModGov which improves editing and structure. Further training will be arranged for the Leadership Team
9	Lack of assurance that the Council have robust arrangements, appropriate approval, and adequate controls in place for the collection of CIL and S106 monies	To review the processes and procedures for recording, collecting and monitoring of all monies due and ensuring there is adequate evidence of compliance.	There have been improvements in the process for the charging and recovery of CIL payments, implemented in Dec 2015. There are clear guidance notes and training for officers. The improved recovery regime has yielded success with significant monies being recovered. The arrangements will be audited in 2017/18.
10	Fraud training and awareness needs to be provided to all staff	Training will be scheduled for 2017	The training commitment remains on the Corporate Governance Action Plan and will be held after project management and contract management training have been held.
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.	The Health & Safety Policies have been updated and reviewed and updated risk assessments completed by all teams.

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

No.		Issue	Priority	Progress to date (November 2016)
1.	**The council should explore the NDR system reports to enable a detailed listing report to be run**	The Academy system is unable to provide a listing of all NDR prepayments as at 31st March 2016. They system can calculate the total value of NDR prepayments but not individual breakdown.	Medium	Officers have previously explored the potential of improved reporting of NDR with the provider. Following these conversations it became clear that Academy were unable to provide us with the type of reporting we require, limiting our ability to investigate solutions further. Officers will therefore seek advice from other local authorities on if they have found a method for improving reporting.
2.	**Ensure that the monitoring of the financial position is a priority throughout the year in light of the stretched capacity of the finance and leadership team**	In 15/16 we introduced monthly monitoring, in addition to the standard quarterly monitoring that we undertake. All monitoring is now reported to the Leadership Team with issues identified and remedied as quickly as possible. This new approach will continue and has proven to be successful in tackling financial issues collectively and in a timely manner. The capacity of the Finance Team during a year of change will be monitored closely. An experienced interim Chief Accountant will join from 6 September to ensure adequate cover during the recruitment process to fill the Chief Accountant role permanently	Medium	Monthly monitoring is in place and reported to the Leadership Team. A new Chief Accountant has been appointed and two new accountant roles are being advertised to strengthen the capacity of the Finance Team.

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EXTERNAL AUDIT PROGRESS REPORT AUGUST 2016

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

REPORT SUMMARY

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

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

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

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

2 Background

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

3 Proposals

3.1 This report provides an update of the work being carried out by External Audit (attached as Annexe 1). It also identifies any emerging issues and developments that the Committee should be aware of.

3.2 Grant Thornton will attend the committee meeting to introduce this item and answer any questions Members may have.

4 Financial and Manpower Implications

4.1 The 2015/16 audit carried out by Grant Thornton provided the Council with an unqualified opinion on the accounts.

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

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

5.1 Grant Thornton has confirmed that its work will be prepared in the context of the Statement of Responsibilities of Auditors and Audit Bodies issued by the Comptroller and Auditor General.

5.2 ***Monitoring Officer's comments:*** The work of external audit is a key part of the controls in place to ensure that the Council is doing the right thing in the right way at the right time.

6 Sustainability Policy and Community Safety Implications

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

7 Partnerships

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

8 Risk Assessment

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

9 Conclusion and Recommendations

9.1 The Committee is asked to note the progress made.

WARD(S) AFFECTED: All

Grant Thornton

Audit Committee
Epsom and Ewell Borough Council
Progress Report and Update
Year ended 31 March 2016

August 2016

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

- Innovation in public financial management (December 2015); www.grantthornton.global/en/insights/articles/innovation-in-public-financial-management/
- Knowing the Ropes – Audit Committee; Effectiveness Review (October 2015); www.grantthornton.co.uk/en/insights/knowing-the-ropes--audit-committee-effectiveness-review-2015/
- Making devolution work: A practical guide for local leaders (October 2015) www.grantthornton.co.uk/en/insights/making-devolution-work/
- Reforging local government: Summary findings of financial health checks and governance reviews (December 2015) http://www.grantthornton.co.uk/en/insights/reforging-local-government/,

Members and officers may also be interested in out recent webinars:

Alternative delivery models: Interview with Helen Randall of Trowers and Hamlins, discussing LATCs and JVs in local government. http://www.grantthornton.co.uk/en/insights/qa-on-local-authority-alternative-delivery-models/

Cyber security in the public sector: Our short video outlines questions for public sector organisations to ask in defending against cyber crime http://www.grantthornton.co.uk/en/insights/cyber-security-in-the-public-sector/

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

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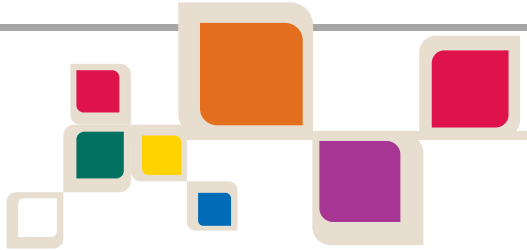
Progress at July 2016



2015/16 work	Planned Date	Complete?	Comments
Fee Letter We are required to issue a 'Planned fee letter for 2015/16' by the end of April 2015	April 2015	Yes	The 2015/16 fee letter was issued in April 2015 and considered by the July committee
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2015-16 financial statements.	April 2016	Yes	The Audit Plan was presented to this committee on 5 April 2016. The plan set out the risks and planned work for the opinion and value for money conclusion audits.
Interim accounts audit Our interim fieldwork visit plan included: • updated review of the Council's control environment • updated understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • Value for Money conclusion risk assessment.	February 2016	Yes	We carried out planning risk assessment procedures and early substantive testing to relieve the pressure on officers at the accounts audit.
Final accounts audit Including: • audit of the 2015-16 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion • review of the Council's disclosures in the consolidated accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16	July 2016	In progress	We have a small amount of audit work in progress as at 26 August 2016. Our Audit Findings Report summarising the findings of our audit is on this committee agenda as a separate item. We are proposing an unqualified opinion on the 2015/16 financial statements.

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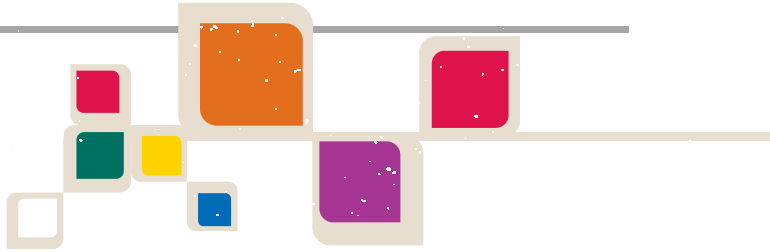
Progress at June 2016



2015/16 work	Planned Date	Complete?	Comments
Value for Money (VfM) conclusion The scope of our work has changed and is set out in the final guidance issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources". The guidance confirmed the overall criterion as; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people". The three sub criteria for assessment to be able to give a conclusion overall are: • Informed decision making • Sustainable resource deployment • Working with partners and other third parties	July 2016	Yes	We have completed out value for money conclusion work and reported our findings and recommendation in the Audit Findings Report (on this committee agenda). We are proposing to issue an unqualified value for money conclusion for 2015/16.
Other areas of work Quarterly liaison meetings with the Chief Executive. Liaison with Internal Audit as part of the risk assessment and Annual Governance Statement review. Members of the finance team attended the accounts workshops run jointly by CIPFA and Grant Thornton to help officers prepare the financial statements.	Throughout the year	n/a	

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Grant Thornton
Sector Issues

Emerging issues

Brexit: What happens next and what does it mean for you?

How is the Council responding to the outcome of the EU referendum?

The people of the UK have made a decision to leave the EU. What happens next - and the implications for businesses and organisations in the UK - is less clear.

We have produced an analysis of what we know about the mechanics of leaving the EU, our assessment of some of the external factors that may affect organisations over the coming months and years, and a summary of the different models for trading relationships outside the EU. This can be found on our website and we have attached copies to this report.

In thinking about the impact organisations will want to consider not only legal and regulatory changes but also market reactions, consumer and business behaviours, and the wider political and economic environment. The Council will have a role in both shaping its own response and in helping organisations in the City respond to a changing environment. We can expect three broad phases of reaction to Brexit:

- initial volatility
- medium term uncertainty and instability
- longer term transition

The impact of this will be different for every organisation. In looking at the threats and opportunities these phases create, and planning how the Council can create and protect value, you may wish to consider the short, medium and long term implications for issues like people and talent, strategic ambitions, financing, risk, operations and protecting investment.

We believe that in the coming weeks and months, dynamic organisations have a critical role to play in helping to shape the future of Britain. Grant Thornton is leading a campaign which explores how we can build a vibrant economy. You can find out more here: http://vibranteconomy.co.uk/

We would welcome views on what the priorities should be for government and the UK to create a new economy outside the EU.

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Financial sustainability of local authorities: capital expenditure and resourcing

National Audit Office

The full report is available at:

https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-capital-expenditure-and-resourcing/

According to the NAO, Local authorities in England have maintained their overall capital spending levels but face pressure to meet debt servicing costs and to maintain investment levels in their existing asset bases.

Since 2010-11, local authorities have faced less pressure on their resources to support capital expenditure as compared to revenue. Although local authorities' revenue spending power fell by over 25 per cent in real terms from 2010-11 to 2015-16, the NAO estimates that capital grants to authorities marginally increased from 2010-11 to 2014-15, (excluding education).

Capital spending by authorities increased by more than five per cent in real terms overall between 2010-11 and 2014-15, but this is uneven across local authorities and service areas. Almost half of authorities reduced their capital spending. Most service areas saw an increase in capital spend with the exception of culture and leisure: capital spending fell by 22 per cent overall in this area.

The NAO's report, published on 15 June, found that authorities face a growing challenge to continue long-term investment in their existing assets. Total spending has remained stable, but increasingly capital activities are focused on 'invest to save' and growth schemes that cover their costs or have potential to deliver a revenue return. Many areas of authorities' asset management programmes do not meet these criteria and are now seen as a lower priority.

The report also notes that local authorities' debt servicing costs have grown as a proportion of revenue spending as revenue resources have fallen. A quarter of single-tier and county councils now spend the equivalent of 10 per cent or more of their revenue expenditure on debt servicing, with metropolitan district councils being particularly exposed.

According to the NAO, DCLG has rightly focused on revenue issues in the 2015 Spending Review but in future reviews will need to focus more on capital. The Department is confident from its engagement with authorities that revenue pressures are their main concern, however the NAO's analysis demonstrates that capital costs exert significant and growing pressure on revenue resources.

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The changing face of Corporate Reporting

We have established a global network of public sector auditors and advisors to share good practice and to provide informed solutions to the corporate reporting challenges our clients face.

We were fortunate to have the CEO of the IIRC speak at our most recent meeting. Integrated Reporting, <IR>, is a new approach to corporate reporting and it is building a world-wide following in both the public and private sectors.

In the commercial sector, <IR> has led to improvements in business decision making, the understanding of risks and opportunities as well as better collaborative thinking by boards about goals and targets..

<IR> is based on integrated thinking that results in a report by an organisation about sustainable value creation. It requires a more cohesive and efficient approach to organisational reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organisation to create value over time.

By moving the focus away from only short-term, backward looking, financial reporting, <IR> encourages organisations to report on a broader range of measures that link their strategic objectives to their performance. The result is an overview of an organisation's activities and performance in a much wider, more holistic, context.

- <IR> encourages organisations to consider whether there are any gaps in the information that is currently available to them, so that integrated thinking becomes embedded in mainstream practice.
- <IR> is underpinned by the International <IR> Framework published in December 2013. It is principles- based, allowing organisations to innovate and develop their reporting in the context of their own regulatory framework, strategy, key drivers, goals and objectives.
- <IR> is consistent with the Strategic Reports required from UK companies, the Performance Reports that government departments, agencies and NHS bodies produce and the developing Narrative Reporting in local government.

The IIRC has established a Public Sector Pioneer Network to consider why and how the public sector can adopt <IR>, with the end goal of improving transparency and building trust. There is already a core of UK organisations within this.

<Integrated Reporting>

Further information is available on the IIRC's website

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Grant Thornton
Technical update

Accounting and audit issues

Flexible use of capital receipts

DCLG has issued a Direction and Statutory Guidance on the flexible use of capital receipts to fund the revenue costs of reform projects. The direction applies from 1 April 2016 to 31 March 2019.

The Direction sets out that expenditure which 'is incurred by the Authorities that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners' can be treated as capital expenditure.

Capital receipts can only be used from the disposals received in the years in which the flexibility is offered rather than those received in previous years.

Authorities must have regard to the Statutory Guidance when applying the Direction.

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Grant Thornton Publications and events

Website Relaunch

We have recently launched our new-look website. Our new homepage has been optimised for viewing across mobile devices, reflecting the increasing trend for how people choose to access information online. We wanted to make it easier to learn about us and the services we offer.

You can access the page using the link below – http://www.grantthornton.co.uk/industries/public-sector/

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Advancing closure: the benefits to local authorities

Grant Thornton reports

With new regulation bringing forward the required publishing date for accounts local authorities must consider the areas needed to accelerate financial reporting.

In February 2015, regulations were laid before parliament confirming proposals to bring forward the date by which local authority accounts must be published in England. From 2017-18, authorities will need to publish their audited financial statements by 31 July, with Wales seeking to follow a similar approach over the next few years.

Many local government bodies are already experiencing the benefits of advancing their financial reporting processes and preparing their accounts early, including:

- raising the profile of the finance function within the organisation and transforming its role from a back office function to a key enabler of change and improvement across the organisation;
- high quality financial statements as a result of improved quality assurance arrangements;
- greater certainty over in-year monitoring arrangements and financial outturn position for the year, supporting members to make more informed financial decisions for the future;
- improved financial controls and accounting systems, resulting from more efficient and refined financial processes; and
- allowing finance officers more time to focus on forward looking medium term financial planning and transformational projects, to address future financial challenges.
- While there is no standard set of actions to achieve faster close there are a number of consistent key factors across the organisations successfully delivering accelerated closedown of their accounts, which our report explores in further details:
- Enabling sustainable change requires committed leadership underpinned by a culture for success
- Efficient and effective systems and processes are essential
- Auditors and other external parties need to be on board and kept informed throughout

http://www.grantthornton.co.uk/en/insights/advancing-closure-the-benefits-to-local-authorities/

AGENDA ITEM 9
ANNEXE 1

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AUDIT FINDINGS REPORT 2015/16 ACCOUNTS

Report of the:	Director of Finance and Resources
Contact:	Kathryn Beldon
Urgent Decision? (yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annexe 1 - Audit Findings Report 2015/16
Other available papers (not attached):	Financial Statements 2015/16

REPORT SUMMARY

This report covers Grant Thornton's audit findings following audit of the Financial Statements for 2015/16.

RECOMMENDATION (S)	*Notes*
That the Committee: -	
(1) Receives the Audit Findings for 2015/16 which were agreed by the Strategy and Resources Committee on 27 September 2016.	

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

1.1 There is no specific key priority covering the annual audit.

2 Background

2.1 Grant Thornton, the Council's external auditor, have issued its Audit Findings following the completion of the audit of the Financial Statements. The report is attached in Annexe 1 for information.

3 Outcome of Audit

3.1 The following specific points are made in the report:-

3.1.1 The Auditors anticipate an unqualified opinion on the Council's Financial Statements.

3.1.2 Any adjustments required have been agreed and implemented and they did not affect the Council's reported outturn position or cash reserves.

3.1.3 The auditor has issued an unqualified conclusion on Value for Money.

4 Action Plan

4.1 Appendix A of the Audit Findings report includes recommendations where management action has been agreed with the auditors.

5 Proposals

5.1 The Committee is asked to receive the Audit Findings for 2015/16.

6 Financial and Manpower Implications

6.1 The audit has been completed within the budget previously reported.

6.2 **Chief Finance Officer's comments:** These are contained in the main report.

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

7.1 **Monitoring Officer's comments:** The requirements for external audit are set out in the executive summary of the Audit Findings report.

8 Sustainability Policy and Community Safety Implications

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

9 Partnerships

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

10 Risk Assessment

10.1 The external audit contributes towards effective corporate governance of the Council.

11 Conclusion and Recommendations

11.1 The external auditors have given an unqualified opinion on the Council's Financial Statements.

11.2 The Financial Statements have been published following signature and certification.

WARD(S) AFFECTED: All

Grant Thornton

The Audit Findings for Epsom and Ewell Borough Council

Year ended 31 March 2016

27 September 2016

Updated 28 September 2016 FINAL

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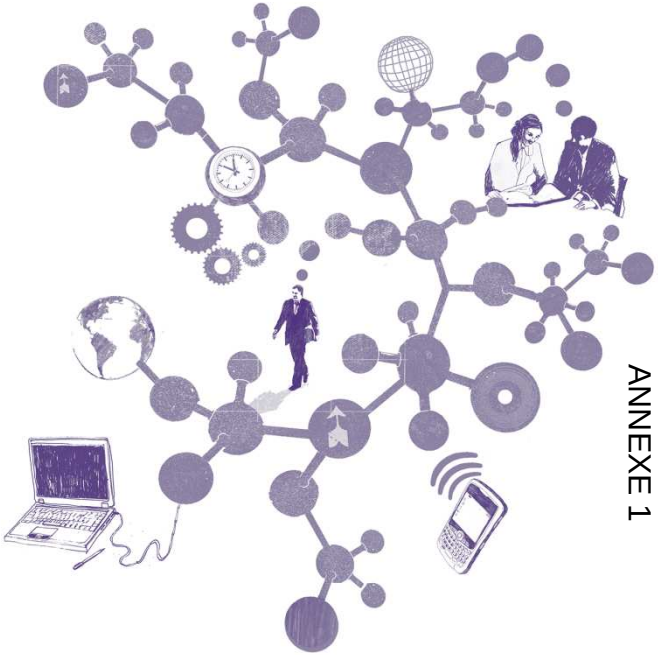

AGENDA ITEM 10
ANNEXE 1

Grant Thornton

Private and Confidential

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27 September 2016

Dear Members

Audit Findings for Epsom and Ewell Borough Council for the year ending 31 March 2016

This Audit Findings report highlights the key findings arising from the audit for the benefit of those charged with governance (in the case of Epsom and Ewell Borough Council, the Strategy and Resources Committee), as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice. Its contents have been discussed with officers.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements and giving a value for money conclusion. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours sincerely

Elizabeth Jackson

Engagement lead

Chartered Accountants
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4. Fees, non-audit services and independence	25
5. Communication of audit matters	27

Appendices

A Action plan

B Audit opinion

Section 1: Executive summary

01. Executive summary
02. Audit findings
03. Value for Money
04. Other statutory powers and duties
05. Fees, non audit services and independence
06. Communication of audit matters

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Purpose of this report

This report highlights the key issues affecting the results of Epsom and Ewell Borough Council ('the Council') and the preparation of the [group and] Council's financial statements for the year ended 31 March 2016. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing (UK & Ireland) 260, and the Local Audit and Accountability Act 2014 ('the Act').

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Council's financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. .

We are also required consider other information published together with the audited financial statements, whether it is consistent with the financial statements and in line with required guidance.

We are required to carry out sufficient work to satisfy ourselves on whether the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion').

Auditor Guidance Note 7 (AGN07) clarifies our reporting requirements in the Code and the Act. We are required to provide a conclusion whether in all significant respects, the Council has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The Act also details the following additional powers and duties for local government auditors, which we are required to report to you if applied:

- a public interest report if we identify any matter that comes to our attention in the course of the audit that in our opinion should be considered by the Council or brought to the public's attention (section 24 of the Act);
- written recommendations which should be considered by the Council and responded to publicly (section 24 of the Act);
- application to the court for a declaration that an item of account is contrary to law (section 28 of the Act);
- issue of an advisory notice (section 29 of the Act); and
- application for judicial review (section 31 of the Act).

We are also required to give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts under sections 26 and 27 of the Act.

Introduction

In the conduct of our audit we have not had to alter or change our audit approach, which we communicated to you in our Audit Plan dated 5 April 2016.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- sample testing of debtors, creditors and other revenues
- housing benefits sample testing
- receipt of one external bank confirmation
- obtaining and reviewing the management letter of representation
- updating our post balance sheet events review, to the date of signing the opinion.

We have now completed the outstanding procedures above, no issues arising.

We received draft financial statements on the agreed date and the accompanying working papers as the audit progressed.

Key audit and financial reporting issues

Financial statements opinion

We have not identified any adjustments affecting the Council's reported financial position (details are recorded in section two of this report). The draft financial statements for the year ended 31 March 2016 recorded net expenditure of £43,891k; and the post audited financial statements show £44,298k. The gross expenditure and gross income figure were both understated by £408k as the original transactions which were correctly accounted for through the Capital Adjustment Account should have also be reflected in the Comprehensive Income and Expenditure Statement. The net impact on the Cost of Services is nil

We have recommended a number of adjustments to improve the presentation of the financial statements.

The key messages arising from our audit of the Council's financial statements are:

- the draft accounts submitted for audit were of a good quality
- working papers were provided in a timely manner and supported the disclosures in the accounts. However, working papers for debtors, creditors and prepayments in the NDR system need to be improved to provide a detailed breakdown of the balance at an individual level
- officers were supportive to our audit requests and provided additional information throughout the audit.

Further details are set out in section two of this report.

We anticipate providing a unqualified audit opinion in respect of the financial statements (see Appendix B).

An unqualified opinion was issued on 28 September 2016

Other financial statement responsibilities

As well as an opinion on the financial statements, we are required to give an opinion on whether other information published together with the audited financial statements is consistent with the financial statements. This includes:

- if the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit.

Based on our review of the Council's AGS, we are satisfied it is consistent with CIPFA disclosure requirements and the audited financial statements.

Controls

Roles and responsibilities

The Council's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Council.

Findings

We draw your attention in particular to a control issue identified in relation to:

- the Academy system is unable to provide a listing of all NDR prepayments as at 31 March 2016. The system can calculate the total value of NDR prepayments but not individual breakdown.

Further details are provided within section two of this report.

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Value for Money

Based on our review, we are satisfied that, in all significant respects, the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Other statutory powers and duties

We have not identified any issues that have required us to apply our statutory powers and duties under the Act.

Grant certification

In addition to our responsibilities under the Code, we are required to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. At present our work on this claim is in progress and is not due to be finalised until 30 November 2016. We will report the outcome of this certification work through a separate report to Strategy and Resources Committee by the February 2017 due date.

The way forward

Matters arising from the financial statements audit and our review of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources have been discussed with the Chief Accountant (acting Deputy S151 Officer).

We have made a number of recommendations, which are set out in the action plan at Appendix A. Recommendations have been discussed and agreed with the Chief Accountant (acting Deputy S151 Officer) and the finance team.

Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by the Finance Team and other staff during our audit.

Grant Thornton UK LLP
September 2016

Section 2: Audit findings

01. Executive summary
02. Audit findings
03. Value for Money
04. Fees, non audit services and independence
05. Communication of audit matters

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Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As we reported in our Audit Plan, we determined overall materiality to be £911k (being 2% of gross revenue expenditure). We have considered whether this level remained appropriate during the course of the audit and identified the reduction in gross revenue expenditure which led us to revise our overall materiality to £878k (being 2% of gross revenue expenditure).

We also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulated effect of such amounts would have a material impact on the financial statements. We have defined the amount below which misstatements would be clearly trivial to be £44k. Our assessment of the value of clearly trivial matters has been adjusted to reflect our revised materiality calculation.

As we reported in our Audit Plan, we did not identified any items where we decided that separate materiality levels were appropriate.

Audit findings against significant risks

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA (UK&I) 315).

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

	Risks identified in our audit plan	Work completed	Assurance gained and issues arising
1.	**The revenue cycle includes fraudulent transactions** Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.	Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Epsom and Ewell Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because: • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including Epsom and Ewell Borough Council, mean that all forms of fraud are seen as unacceptable.	Our audit work has not identified any issues in respect of revenue recognition.
2.	**Management over-ride of controls** Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.	We have undertaken the following work in relation to this risk: • review of entity controls • testing of journal entries • review of accounting estimates, judgements and decisions made by management • review of unusual significant transactions.	Our audit work has not identified any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.

Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Operating expenses	Creditors understated or not recorded in the correct period (Operating expenses understated)	We have undertaken the following work in relation to this risk: • documented our understanding of processes and key controls over the transaction cycle • undertaken walkthrough of the key controls to assess the whether those controls were in line with our documented understanding • sample testing of operating expenditure during the year; • testing of the year end payables and manual accruals; • testing for unrecorded liabilities.	Our audit work to date has not identified any significant issues in relation to the risk identified. Our testing of creditors is still in progress. Testing complete, no issue arising.
Employee remuneration	Employee remuneration accruals understated (Remuneration expenses not correct)	We have undertaken the following work in relation to this risk: • documented our understanding of processes and key controls over the transaction cycle • undertaken walkthrough of the key controls to assess the whether those controls were in line with our documented understanding • reviewed reconciliations of the payroll to the ledger; • analytical review using trend analysis; • testing of payroll transactions to payslips and HR contract of employment.	Our audit work has not identified any significant issues in relation to the risk identified.

Audit findings against other risks continued

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Valuation of property, plant and equipment (PPE) including investment properties	You revalue your assets regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Investment properties are re-valued annually. The Code requires that you ensure that the carrying value at the balance sheet date is not materially different from current value. This represents a significant estimate by management in the financial statements.	We have undertaken the following work in relation to this risk: • documented our understanding of processes and key controls over the transaction cycle • review of management's processes and assumptions for the calculation of the estimate • review of the competence, expertise and objectivity of any management experts used • review of the instructions issued to valuation experts and the scope of their work • discussions with valuer about the basis on which the valuation is carried out and challenge of the key assumptions • review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding • testing of revaluations made during the year to ensure they are input correctly into your asset register • evaluation of the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value	Our audit work has not identified any significant issues in relation to the risk identified.

Audit findings against other risks continued

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Valuation of pension fund net liability	Your pension fund asset and liability as reflected in your balance sheet represent significant estimates in the financial statements.	We have undertaken the following work in relation to this risk: • documented our understanding of processes and key controls over the transaction cycle • undertaken walkthrough of the key controls to assess the whether those controls were in line with our documented understanding • reviewed the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out • undertaken procedures to confirm the reasonableness of the actuarial assumptions made • reviewed the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.	Our audit work has not identified any significant issues in relation to the risk identified.

Accounting policies, estimates and judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Council's financial statements.

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	The Council accounts for activity in the year that it takes place, not simply when cash payments are made or received. Revenue policies set out in Note 3 include: • revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchase, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council. • revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.	• Revenue recognition policies are appropriate and in line with the CIPFA Code of Practice on Local Authority Accounting. • The Council has significant revenue streams from a number of different sources, principally fees and charges, income from council tax revenues and grant income. We recommended the policy include these income in the list of sources. • Accounting policies in respect of revenue recognition are adequately disclosed.	● Green
Judgements and estimates	• Key estimates and judgements include: – pension fund valuations and settlements – revaluations – Impairments – Provisions – useful life of capital equipment.	The critical areas of judgement applied in compiling the Council's financial statements have been explained in the statement of accounts. The Council is advised by external experts in relation to property and pension fund valuations. We have reviewed the work of experts and are satisfied that the experts used by the Council are independent, appropriately skilled and have carried out their work in accordance with professional practices. Where estimates and judgements have been applied by officers we are satisfied they are free from bias. We identified that the table of assumptions did not include any narrative about the NDR appeals provision. An explanation of the management judgement in reaching the assumptions that underpin the financial statements has now been included in the accounts.	● Green

Assessment
● Marginal accounting policy which could potentially attract attention from regulators ● Accounting policy appropriate but scope for improved disclosure ● Accounting policy appropriate and disclosures sufficient

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Accounting policies, estimates and judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Council's financial statements.

Accounting area	Summary of policy	Comments	Assessment
Going concern	The Directors have a reasonable expectation that the services provided by the Council will continue for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.	We have reviewed the Directors' assessment and are satisfied with their assessment that the going concern basis is appropriate for the 2015/16 financial statements.	● Green
Other accounting policies	We have reviewed the Council's policies against the requirements of the CIPFA Code and accounting standards.	Our review of accounting policies has not highlighted any issues which we wish to bring to your attention. We identified a small number of minor narrative amendments to accounting policies 3 and 4.	● Green

Assessment
- ● Marginal accounting policy which could potentially attract attention from regulators
- ● Accounting policy appropriate but scope for improved disclosure
- ● Accounting policy appropriate and disclosures sufficient

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Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
1.	**Matters in relation to fraud**	• We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
2.	**Matters in relation to related parties**	• From the work we carried out, we have not identified any related party transactions which have not been disclosed.
3.	**Matters in relation to laws and regulations**	• You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
4.	**Written representations**	• A standard letter of representation has been requested from the Council.
5.	**Confirmation requests from third parties**	• We obtained direct confirmations from your bankers and requested from management permission to send confirmation requests to the various institutions with your short term investments. The permissions were granted and the requests were sent.. We have received all confirmations except the one from Goldman Sachs. We have carried out alternative audit procedures to obtain confirmation of this balance.
6.	**Disclosures**	• Our review found no material omissions in the financial statements.

7.	**Matters on which we report by exception**	• We are required to report on a number of matters by exception in a number of areas. We have not identified any issues we would be required to report by exception in the following areas:
		  • if the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit
		  • the information in the Narrative Report is materially inconsistent with the information in the audited financial statements or our knowledge of the Council acquired in the course of performing our audit, or otherwise misleading.

8.	**Specified procedures for Whole of Government Accounts**	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. • Note that work is not required as the Council does not exceed the threshold.

Internal controls

The purpose of an audit is to express an opinion on the financial statements.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. We considered and walked through the internal controls for Employee Remuneration, Operating Expenses, PPE and Pension Fund valuation as set out on pages 11-13 above.

The matters that we identified during the course of our audit are set out in the table below. These and other recommendations, together with management responses, are included in the action plan attached at Appendix A.

	Assessment	Issue and risk	Recommendations
1.	Amber	• The Academy system is unable to provide a listing of all NDR prepayments as at 31 March 2016. The system can calculate the total value of NDR prepayments but not individual breakdown.	• The Council should explore the NDR system reports to enable a detailed listing report to be run.

Assessment
- Significant deficiency – risk of significant misstatement
- Deficiency – risk of inconsequential misstatement

The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Adjusted misstatements

A number of adjustments to the draft accounts have been identified during the audit process. We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. The table below summarises the adjustments arising from the audit which have been processed by management.
We have not identified any unadjusted misstatements during our audit testing.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year.

	Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £000
1	**Cash and cash equivalents (note 17) and Balance Sheet** Temporary investments managed in-house totalling £15m have been included as. As the investments are for greater than one year these have been amended in the Balance Sheet to be short term investments. DR short term investments CR cash and cash equivalents There is no impact on the net worth of the Balance Sheet.	0	 15,000 (15,000)	0
2	**Comprehensive Income and Expenditure Statement** The gross expenditure and income figure were both understated by £408k being S106 contributions which were correctly accounted for through the Capital Adjustment Account were not reflected in the Comprehensive Income and Expenditure Statement. DR Gross Income CR Gross Expenditure There is no impact on the net Cost of Services	 408 (408)	0	0
	Overall impact	**£ 0**	**£ 0**	**£ 0**

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Misclassifications and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

	Adjustment type	Value £'000	Account balance	Impact on the financial statements
1	Misclassification	180	Other government grants (note 11)	The public-private partnership funding was incorrectly included as other government grants in note 11. This has been correctly amended in the current and prior year figures.
2	Disclosure	1,200	Financial instruments (note 15)	The fair value analysis incorrectly includes council tax and NDR debtors in aggregate totalling £1.2m. These are statutory items of debt and therefore do not meet the definition of financial instruments. The note has been amended.
3	Disclosure	n/a	Exit packages (note 25)	The prior year exit package figures were excluded from the disclosure note in the draft accounts. The note has been amended.
4	Presentation and disclosure	n/a	Various	We have made a small number of suggested presentational and disclosure changes to aid users' understanding of the financial statements. The key areas amended are as follows with other amendments too minor to note specifically: • Narrative Statement • Annual Governance Statement • Note 16 – Debtors • Note 32 – Collection Fund The relevant notes have been amended.

Section 3: Value for Money

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Background

We are required by section 21 of the Local Audit and Accountability Act 2014 ('the Act') and the NAO Code of Audit Practice ('the Code') to satisfy ourselves that 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.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2015. AGN 03 identifies one single criterion for auditors to evaluate:

> *In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.*

AGN03 provides examples of proper arrangements against three sub-criteria but specifically states that these are not separate criteria for assessment purposes and that auditors are not required to reach a distinct judgement against each of these.

Risk assessment

We carried out an initial risk assessment in March 2016 and identified the following significant risk around your sustainable resource deployment in the medium term , which we communicated to you in our Audit Plan dated 5 April 2016.

We identified risks in respect of specific areas of proper arrangements using the guidance contained in AGN03.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We carried out further work only in respect of the significant risk we identified from our initial and on-going risk assessment. Where our consideration of the significant risk determined that arrangements were not operating effectively, we have used the examples of proper arrangements from AGN 03 to explain the gaps in proper arrangements that we have reported in our VFM conclusion

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Significant qualitative aspects

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risks that we identified in the Council's arrangements. In arriving at our conclusion, our considerations included:

- reviewing the 2015/16 outturn position and financial planning assumptions for 2016/17 and beyond
- reviewing the capacity of the finance and leadership team as a result of absences during the first half of the 2016/17 year.

We have set out more detail on the risk we identified, the results of the work we performed and the conclusions we drew from this work later in this section.

Overall conclusion

Based on the work we performed to address the significant risks, we concluded that:

- the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources. The text of our report, which confirms this can be found at Appendix B.

Recommendations for improvement

We discussed findings arising from our work with management and have agreed recommendation for improvement as follows:

- Ensure that monitoring of the financial position is a priority throughout the year in light of the stretched capacity of the finance and leadership team.

Management's response to these can be found in the Action Plan at Appendix A.

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Work to address	Findings and conclusions
You are on course to achieve a planned budget for 2015/16 though you have had to take some difficult measures such as having a moratorium on spend. Going forward to 2016/17, the Local Government Finance Settlement reduced your funding assessment by 25% in 2016/17 and further savings of £1.6 million are required over the period 2017/18 to 2019/20.	We have undertaken the following work in relation to this risk: • reviewed your outturn position for 2015/16, including the delivery of savings targets • reviewed your plans to achieve the 2016/17 revenue budget • assessed your progress on the residual risk reported in our previous audit reports • met with key officers to discuss and review your arrangements to ensure medium term financial stability.	The 2015/16 outturn was an improved position to that forecast during the year as the Council needed to £167k rather than planned £229k from the general fund working capital balance at year to deliver the balanced position. Although a deficit position occurred this was forecast consistently during the year so was not a surprise to officers or members. The Council maintained spending in line with plans and achieved a slightly better position than forecast. The Council has set a balanced budget for 2016/17 although there continues to be budget pressures with revenue support grant disappearing by 2017/18. The Council's medium term financial strategy was approved by the Council in February 2016 bringing together a number of the Council's strategies including procurement, ICT and workforce. The assumptions used in the plan are reasonable and with further government funding being eroded, the Council has identified an efficiency savings requirement of £3m to £3.5m over the next four years. Schemes have been identified for £2.3m and the Council recognises that a further savings of around £900k will need to be found between 2017 and 2020. The Council continues to be debt free and has aspirations for the situation to remain unchanged over the next 4 years. However, with the steady erosion of the capital reserves, it recognises the need to consider all options for funding capital expenditure including financing via borrowing. The Leadership Team has undergone a restructuring in the past few months and the new arrangements will need time to fully embed. However, with a relatively small Leadership Team which is in common with many districts, any unplanned long term absence at this level as that experienced over the summer months increases the pressure on a small number of individuals. The Leadership team and the committee members need to continue to ensure delegated arrangements can continue to operate with limited impact on the delivering of core services. We have not identified any issues with the governance arrangements or financial monitoring during the year but there is a risk arising for the 2016/17 year as a key member of the finance team who has been covering the senior finance role during the year is leaving the Council in October. **On that basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements. However we have made a recommendation for on-going monitoring of the financial position with the capacity of the senior finance officers being stretched during the early part of 2016/17.**

Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

Any other matters

There were no other matters from our work which were significant to our consideration of your arrangements to secure value for money in your use of resources.

Section 4: Fees, non-audit services and independence

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We confirm below our final fees charged for the audit and there were no fees for the provision of non audit services.

Fees

	Proposed fee £	Final fee £
Council audit	44,708	44,708
Grant certification	8,976	TBC
Total audit fees (excluding VAT)	**53,684**	**TBC**

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA).

Grant certification

Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited. Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Section 5: Communication of audit matters

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Communication to those charged with governance

International Standards on Auditing ISA (UK&I) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while this Audit Findings report presents the key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (http://www.psaa.co.uk/appointing-auditors/terms-of-appointment/)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO (https://www.nao.org.uk/code-audit-practice/about-code/). Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to auditor's report		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

Appendices

Appendix A: Action plan

Priority
High - Significant effect on control system
Medium - Effect on control system
Low - Best practice

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
1.	The Council should explore the NDR system reports to enable a detailed listing report to be run.	Medium	Officers have previously explored the potential of improved reporting for NDR with the providers Academy. Following these conversations it became clear that Academy were unable to provide us with the type of reporting we require, limiting our ability to investigate solutions further. Officers will therefore seek advice from other Local Authorities on if they have found a method for improved reporting.	On-going Director of Finance and Resources
2.	Ensure that monitoring of the financial position is a priority throughout the year in light of the stretched capacity of the finance and leadership team.	Medium	In 15/16 we introduced monthly monitoring in addition to the standard quarterly monitoring that we undertake. All monitoring is now reported at Leadership Team with issues identified and remedied as quickly as possible. This new approach will continue and has proven to be successful in tackling financial issues collectively and in a timely manner. The capacity of the Finance Team during a year of change will be monitored closely. An experienced interim Chief Accountant will join from 6 September 2016 to ensure adequate cover during the recruitment process to fill the Chief Accountant role permanently.	On-going Director of Finance and Resources

Appendix B: Audit opinion

We anticipate we will provide the Council with an unqualified audit report

DRAFT - INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPSOM AND EWELL BOROUGH COUNCIL

We have audited the financial statements of Epsom and Ewell Borough Council (the "Authority") for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014 (the "Act"). The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Act and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Head of Finance (Deputy S151 Officer) and auditor

As explained more fully in the Statement of the Head of Finance (Deputy S151 Officer) Responsibilities, the Head of Finance (Deputy S151 Officer)is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the SHead of Finance (Deputy S151 Officer); and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Narrative Report and the Annual Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- present a true and fair view of the financial position of the Authority as at 31 March 2016 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and applicable law.

Opinion on other matters

In our opinion, the other information published together with the audited financial statements in the Narrative Report and the Annual Governance Statement is consistent with the audited financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the guidance included in 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- we issue a report in the public interest under section 24 of the Act; or
- we make a written recommendation to the Authority under section 24 of the Act; or
- we exercise any other special powers of the auditor under the Act.

We have nothing to report in these respects.

Conclusion on the Authority's arrangements to secure value for money through economic, efficient and effective use of its resources

Respective responsibilities of the Authority and auditor

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 20(1)(c) of the Act to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of the Authority's arrangements to secure value for money through economic, efficient and effective use of its resources

We have undertaken our review in accordance with the Code of Audit Practice prepared by the Comptroller and Auditor General as required by the Act (the "Code"), having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2015, as to whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code in satisfying ourselves whether the Authority put in place proper arrangements to secure value for money through the economic, efficient and effective use of its resources for the year ended 31 March 2016.

We planned our work in accordance with the Code. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether in all significant respects the Authority has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2015, we are satisfied that in all significant respects *the Authority* has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the year ended 31 March 2016.

Certificate

We certify that we have completed the audit of the accounts of the Authority in accordance with the requirements of the Act and the Code.

Elizabeth Jackson
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

Melton Street, Euston Square. London. NW1 2EP

Date to be confirmed (2016)

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CORPORATE PLAN: PERFORMANCE REPORT ONE 2016 TO 2017

Report of the:	Chief Executive
Contact:	Adama Roberts
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annexe 1 – Performance Report One 2016 to 2017 Annexe 2 – Overview of Key Priority Performance Targets Reported under Phase One
Other available papers (not attached):	None

REPORT SUMMARY

This report provides an update against our Key Priority Performance Targets that are either on amber or red for 2016 to 2017, under our new Corporate Plan.

RECOMMENDATION (S)	*Notes*
(1) That the Committee considers Key Performance Priority Targets that are either on amber or red as reported in Annexe 1 and identifies any areas of concern. **(2) That the Committee notes the actions that have been proposed or taken where performance is currently a concern as shown in table 3.1.** **(3) That the Committee notes the overview of the Key Priority Performance Targets in Annexe 2**	

1 Background

1.1 The Council has a four-year Corporate Plan for the period 2016-2010.

1.2 The Corporate Plan sets out the Council's vision together with its four Key Priorities. The four Key Priorities are underpinned by 19 Key Priority Objectives and measured against 57 Key Priority Performance Targets.

1.3 The delivery of the Corporate Plan will be captured in the performance reports, which are based around Committee cycles and detail what will be done, what the Key Priority Performance Targets are and how these will be measured. The desired key outcomes have also been outlined in the Corporate Plan. An annual year-end report will be produced to highlight delivery against the Corporate Plan.

2 Corporate Plan: Delivery against Key Priority Performance Targets set

2.1 This report tracks the progress against the Key Priority Performance Targets previously agreed by committees. On the whole performance is good as shown in the table below.

Performance status		
Key to reporting status		**Number**
Achieved	Target achieved	6
Not achieved	Target not achieved	1
Information indicators	These indicators are for information only	3
G	On track	34
Δ	Slightly off track not a major concern or slippage	8
R	Off track or unlikely to be achieved for projected year	5
	Total	**57**

3 Actions identified for the Key Priority Performance Targets where performance is currently a concern

3.1 Red Key Priority Performance Target and remedial actions identified

Off track / not achieved	Actions identified to achieve targets
Managing our resources Process new Housing Benefit claims within an average time of 22 days	The backlog created is being cleared as a result of successfully recruiting experienced staff. Improvements have also been made by utilising staff strengths to gain the highest productivity (e.g. some staff are quicker at New Claims whilst others process Change of Circumstances more swiftly); by creating 'quiet time' for staff where they do not interact with the public and can concentrate on processing. We also had extra resources to cover

Off track / not achieved	Actions identified to achieve targets
	our enquiry counter for a short period at the start of summer. This will be a challenging target. However, we anticipate achieving it depending on a new recruitment campaign (starting on 24/10/16) proving effective; the opportunity to continue 'quiet time' for staff; covering the 'spare' hours created by a current member of staff reducing their working hours; whether the more stringent Benefit Cap from 07/11/16 creates some or a lot of work; and the usual items of current staff retention and their attendance. At the current time, given that targets are designed to be stretching, 22 days is a performance we aspire to.
At least three business cases which will generate long term income streams to be submitted to the Capital Member Group for prioritisation as part of the 2017/18 capital bid process	There are business cases being developed, so this part of the objective is likely to be achieved by 31 March 2017. However, these have not been done within the normal capital bid process.
To procure at least two residential units generating no less than 6% return on investment	This target comprises of two components. Procuring residents units which will be achieved within this financial year and generating no less than 6% return which will not be achieve as the most revenue these flats can generate this year is a quarter's rent. However, the Committee is asked to note that for 2017/18, we are anticipating achieving the 6% return on investment on these properties.
Review and implement a performance pay and staff appraisal scheme	As the LGA has recommended undertaking job evaluation and benchmarking prior to developing a revised pay structure this will now take additional time. Implementation of a revised scheme will need to be agreed by the Leadership Team, consultation with staff carried out and approval by Committee requested, which will now not take place by 31 March 2017. It is anticipated that the review of our performance pay and staff appraisal scheme will be completed by March 2017. However, the implementation of a revised scheme will fall into 2017/18.

Off track / not achieved	Actions identified to achieve targets
Keeping the Borough clean and green Complete the pre-submission consultation on a partial review of the Core Strategy.	A revised Local Plan Programme was approved on 13 July 2016. This envisages that the issues and options consultation stage will be completed by 31 March 2017 but the pre-submission consultation will not be completed until October 2017. The reasons for this slippage were explained in July and were, in part, due to the unanticipated loss of staff within the Planning Policy team. A recruitment process is well advanced for additional resources to support work on the Local Plan. Even the revised programme is challenging and very much dependent on a positive result from the recruitment process. We will not be able to meet the agreed Corporate Plan performance target and this will remain at "Red".

Note: The target "Remove each abandoned vehicle on Borough Council land within five working days from being reported" was originally reported to the Environment Committee on 25 October 2016 as being 'Off Target', but has subsequently been reclassified as 'On Target' following clarification that the definition relates to Borough Council land. It is therefore not included in the table above.

4 Financial and Manpower Implications

4.1 ***Chief Finance Officer's comments:*** *There are no financial implications arising directly from this report – any implications arising from particular pieces of work require to be considered when decisions on those items are made.*

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

5.1 ***Monitoring Officer's comments:*** *There are no legal implications arising directly from this report – any implications arising from particular pieces of work require to be considered when decisions on those items are made.*

6 Sustainability Policy and Community Safety Implications

6.1 Prompt removal of abandoned vehicles / flytips contributes to a feeling of living in a safer environment

7 Risk Assessment

7.1 Actions have been identified for the Key Priority Performance Target where performance is currently a concern.

8 Conclusion and Recommendations

8.1 The Committee is requested to consider the performance reported and identifies any areas of concern.

8.2 The Committee is requested to note the overview of the Key Priority Performance Targets

8.3 The Committee is requested to review the actions that have been proposed or taken for the Key Priority Performance Target where performance is currently of concern.

WARD(S) AFFECTED: N/A

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Corporate Plan: Key Priority Performance Targets

Audit, Crime & Disorder and Scrutiny Committee

Performance Report One 2016/2017

AGENDA ITEM 11
ANNEXE 1

Keeping our Borough Clean and Green

We will do this by:

Providing quality parks, nature reserves and other public spaces that are safe, pleasant and well maintained

Accommodating sustainable development whilst protecting the green belt in accordance with Policy

Introducing a premium weekly waste and recycling service as standard for all residents and encourage more household waste to be recycled

Keeping the streets and public spaces clean and tidy

Taking action to reduce graffiti, littering, flytipping, flyposting illegal, advertising and dog fouling

KEY OUTCOMES

- Management plans for all major parks and public spaces
- Premium weekly recycling and waste service as standard for all residents introduced from Spring 2017
- Recycling clubs with local schools

KEY SUCCESS MEASURES

- External accreditation for our major parks and public spaces
- Delivery of the Biodiversity Action Plan
- Increase in recycled household refuse
- Street cleanliness assessment

Performance status

Environment Committee Overview		
Key to reporting target status		**Number**
Achieved	Target achieved	**3**
G	On track	**3**
A	Slightly off track not a major concern or slippage	**2**
R	Off track or unlikely to be achieved for projected year	**0**
Missing Key Priority Performance Target	Information not available	**0**
	Total	**8**

Performance status

Community & Wellbeing Committee		
Key to reporting target status		**Number**
Achieved	Target achieved	**3**
Not achieved	Target not achieved	**1**
G	On track	**10**
A	Slightly off track not a major concern or slippage	**2**
R	Off track or unlikely to be achieved for projected year	**0**
Missing Key Priority Performance Target	Information not available	**0**
	Total	**16**

Supporting our Community

We will do this by:

Supporting and enabling the delivery of affordable homes

Helping those at risk of homelessness

Promoting healthy and active lifestyles, especially for the young and elderly

Encouraging and supporting volunteering initiatives

KEY OUTCOMES	KEY SUCCESS MEASURES
Increase supply of homes to meet local needs	Delivery of affordable homes
Residents supported from becoming homeless	Long term empty properties brought back into use
Implement the Leisure Development Strategy	Reduction in homelessness Increase our supply of temporary accommodation
	Deliver the targets within the Leisure Development Strategy

Supporting Businesses and our Local Economy

We will do this by:

Supporting a comprehensive retail, commercial and social offer

Maintaining strong links with local business leaders and representative organisations

Supporting developers to bring forward the development of town centre sites

Delivering an affordable Economic Strategy

Promoting our Borough as an excellent place to do business

KEY OUTCOMES

High quality/innovative building design

Improved transport infrastructure

Visual appearance of the town/ shopping centres enhanced

KEY SUCCESS MEASURES

Businesses attending the Business Leaders' meetings

Delivery of Plan E to improve traffic flow into Epsom Town Centre

Delivery of the Economic Development Strategy Action Plan

Space for start-up/incubator businesses to grow and expand

Performance status

Licensing, Planning & Policy Committee

Key to reporting target status		Number
Achieved	Target achieved	**0**
Information Indicators	These indicators are for information only	**3**
G	On track	**7**
A	Slightly off track not a major concern or slippage	**1**
R	Off track or unlikely to be achieved for projected year	**1**
Missing Key Priority Performance Target	Information not available	**0**
	Total	**12**

Performance status

Strategy & Resources Committee		
Key to reporting target status		**Number**
Achieved	Target achieved	**0**
G	On track	**14**
A	Slightly off track not a major concern or slippage	**3**
R	Off track or unlikely to be achieved for projected year	**4**
Missing Key Priority Performance Target	Information not available	**0**
	Total	**21**

MANAGING RESOURCES

WE WILL DO THIS BY:

Developing multi-skilled & motivated staff

Providing services digital

Identifying new sources of revenue and maximising our existing income

Delivering further efficiency savings and cost reductions

Maximising returns from properties and other investments

KEY OUTCOMES

An Organisational Development Strategy which drives culture change, build capacity and delivers a skilled workforce for the future

A new improved website enabling services to be delivered digitally

Asset Management Plan for major assets

Balanced budget each year

KEY SUCCESS MEASURES

Core values embedded into our performance management framework

Increase digital accessibility of our services

Return generated from property and other investments

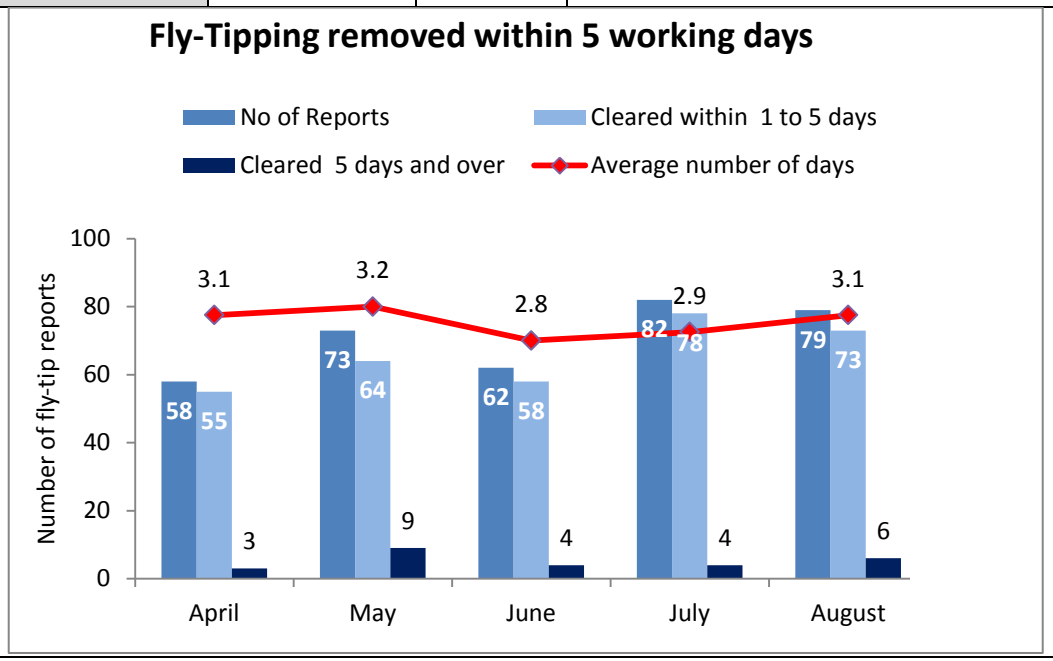
Agreed savings delivered

Keeping our borough clean and green – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee /officer	Achieved by:	Latest progress:	Status:
Taking action to reduce graffiti, littering, flyposting, illegal advertising and dog fouling	Report to be considered by members identifying measures designed to reduce incidents of graffiti, littering, fly-tipping, flyposting, illegal advertising, dog fouling and improve dog control	Environment Committee / Head of Operational Service Ian Dyer Head of Legal & Democratic Services Simon Young Head of Environmental Health Rod Brown	31 March 2017	**April to September:** Meetings have taken place and investigative work has been carried out by officers, of the Legal, Community Safety and Operational Teams along with Surrey Police, in to the laws and type of enforcement that could be applied if the Council wished to pursue this route to tackle Environmental issues. This information will be provided to the Leadership Team to discuss prior to drawing up a report which will be submitted to the relevant committees in January 2017.	A
				Oct to Dec:	
				Jan to March:	

Keeping our borough clean and green – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Keeping the streets and open spaces clean and tidy	Remove general fly-tips on Borough Council land from when they are reported within five working days	Environment Committee / Head of Operational Service Ian Dyer	31 March 2017	**April to Sept:** There were 354 cases of fly-tipping reported during this period. In total, 328 fly-tips were removed within 5 working days (93%). **Oct to Dec:** **Jan to March:**	A



Keeping the borough clean and green – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee /officer	Achieved by:	Latest progress:	Status:
Accommodating sustainable development whilst protecting the green belt in accordance with Policy	Complete the pre-submission consultation on a partial review of the Core Strategy	Licensing, Planning & Policy Committee / Mark Berry Head of Place Development	31 March 2017	**April to Sept:** A revised Local Plan Programme was approved on 13 July 2016. This envisages that the issues and options consultation stage will be completed by 31 March 2017 but the pre-submission consultation will not be completed until October 2017. The reasons for this slippage were explained in July and were, in part, due to the unanticipated loss of staff within the Planning Policy team. A recruitment process is well advanced for additional resources to support work on the Local Plan. Even the revised programme is challenging and very much dependent on a positive result from the recruitment process. We will not be able to meet the agreed Corporate Plan performance target and this will remain at "Red".	R
				Oct to Dec:	
				Jan to March:	

Supporting our Community – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Promoting healthy and active lifestyles, especially for the young and elderly	• Members to consider a review of the new Routecall arrangements	Community & Wellbeing Committee / Head of Operational Services Ian Dyer	31 March 2017	**April to Sept:** The driver/technician post of multi skilled working has been in place and it is working efficiently and effectively within the new arrangements. Awaiting the outcome of the specification of the new vehicles within the transport project.	A
				Oct to Dec:	
				Jan to March:	
Supporting and enabling the delivery of affordable homes	• At least five households accommodated through the private sector leasing scheme by March 2017	Community & Wellbeing Committee / Head of Housing & Environmental Services Rod Brown	31 March 2017	**April to Sept**: Private Sector Leasing scheme is in the process of being established. Recruitment process has commenced.	A

Supporting our Community – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Promoting healthy and active lifestyles, especially for the young and elderly	• Round the Borough Hike – to have 70 participants (5% increase)	Community & Wellbeing Community Leisure Development Manager Sam Beak	30 Sept 2016	**April to Sept:** Round the Borough Hike took place on Saturday 3 September 2016. Overall, 124 people registered and 55 participants actually took part. The low numbers on the day were due primarily to the bad weather forecast that afternoon which put many of the participants off. Feedback from those that did complete the Hike was very positive.	**Not Achieved**

Supporting businesses and our local economy – Key priority

Key priority objective . We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Supporting developers to bring forward the development of town centre sites	Develop a project plan for major applications	Licensing, Planning & Policy Committee Mark Berry Head of Place Development	31 March 2017	**April to Sept:** This will be a light-touch process which will be designed in line with the approved Planning Performance Agreement procedure. It is achievable but is marked as amber as no substantive progress will be made until the end of September 2016.	A
				Oct to Dec:	
				Jan to March:	

Managing our resources – Key priority

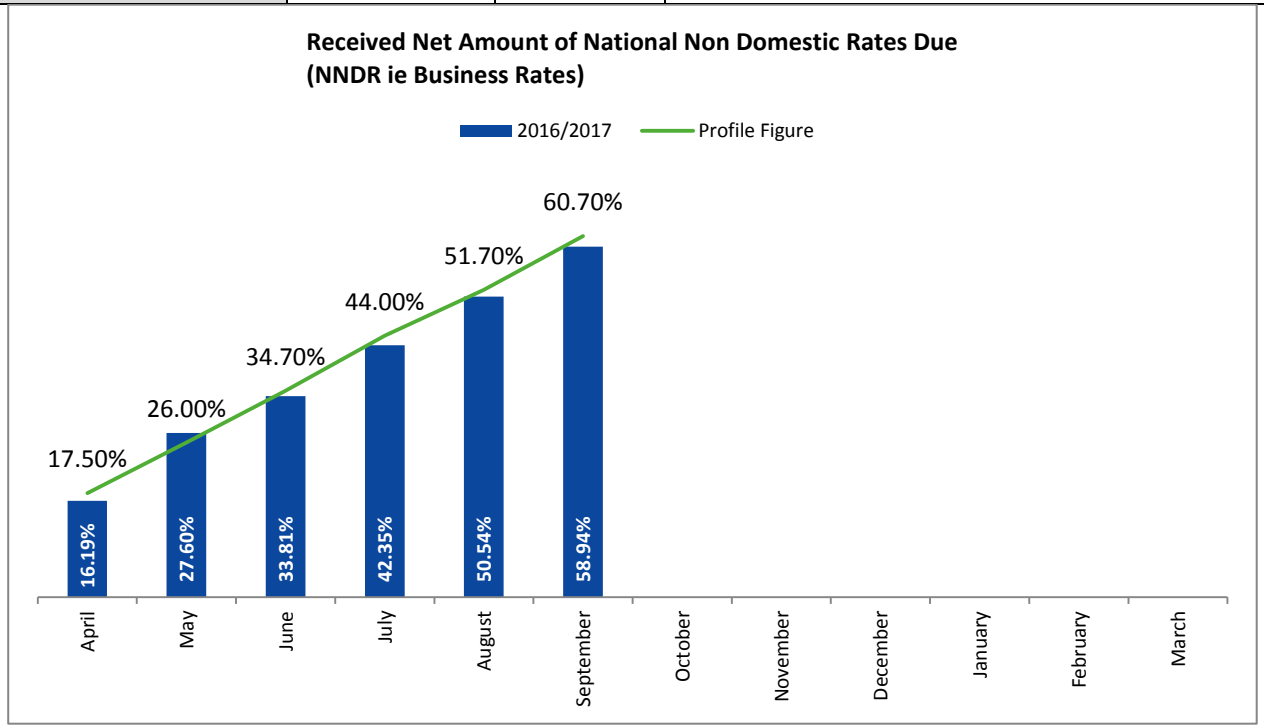
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Delivering further efficiency savings and cost reductions	• Development and implementation of a new procurement strategy, revised contract standing orders and implementation of e-tendering package	S&R Committee Lee Duffy Head of Financial Services Mark Shepard Head of Property	31 March 2017	**April to Sept:** As agreed by Strategy & Resources Committee in January, we are restructuring the procurement function through joint working to ensure compliance with legislation. An implementation plan is in place, although is behind schedule due to the project team being under resourced. The updated Contract Standing Orders were approved in July and the e-tendering system has been tested and is ready to be used once standardised terms, and conditions and guidance notes are agreed. Use of the system will be rolled out in stages to minimise disruption and will commence with ICT. Training was provided earlier in the year, but additional support and training will be made available. A new Procurement Strategy and Contract Register are currently being produced. The new post of Contract and Procurement Officer will provide operational support for procurement and this should be advertised shortly.	A
				Oct to Dec:	
				Jan to March:	

Managing our resources – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Providing services digitally	• New and improved website to go live	S&R Committee Judith Doney Head of Revenues & Benefits and Mark Lumley Head of ICT	31 October 2016	**April to Sept:** A supplier has been procured and the system installed is based on a copy of the Surrey Heath Website. The Website Project Team and Reference Group have been busy updating and amending the content following the agreement of the Digital Service Guide. Technical elements, and links to systems and the Playhouse Website have been progressing well. Currently Staff, Councillors and Residents are testing the website and then we are looking at going live in November with phase one depending on testing.	A
				Oct to Dec:	
				Jan to March:	

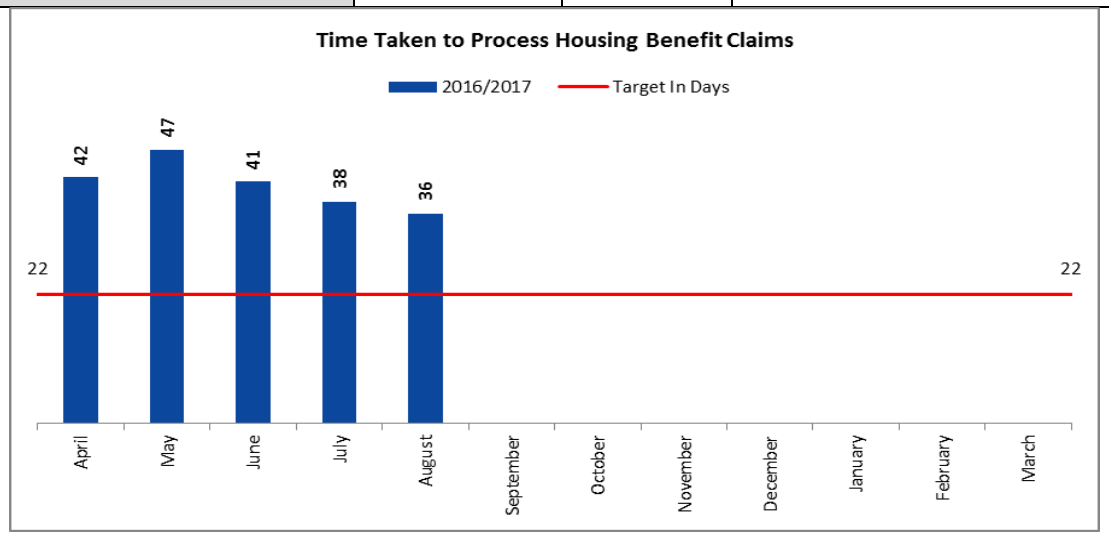
Managing our resources – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	• At least 99.0% of Business Rates to be collected	S&R Committee Judith Doney Head of Revenues & Benefits	31 March 2017	**April to Sept:** We are anticipating achieving this target by year end. We are slightly off track by 1.8%. This is due to the amount of NNDR Payers who make BACS on the 1st, this then has to be allocated and does not appear on the system in time for the reports which are run on the 1st of the month as well.	A
				Oct to Dec:	
				Jan to March:	



Managing our resources – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	• Process new Housing Benefit claims within an average time of 22 days	S&R Committee Judith Doney Head of Revenues & Benefits	31 March 2017	**April to Sept:** The gradual clearing of a backlog of work skews initial results but improvements through the year are expected. The September figures are missing due to an unresolved software issue. This will be solved by next month.	R
				Oct to Dec:	
				Jan to March:	



The backlog is as a result of difficulties faced in recruiting experienced staff; unsuccessful attempt to appoint trainees and develop them; extra work load as a result of successive government's Welfare Reform Agendas etc.

The unresolved software issue is because the data reported is obtained from the monthly Single Housing Benefit Extract file produced and sent to the Department for Work and Pensions as per their requirements. We are thus tied to their timetable for this and occasionally this means a return is produced prior to the end of the month. On such occasions the management tool within our Academy software is unable to report a figure beyond the previous months. Once October's return is produced it should be possible to then retrieve reports for both September and October.

Managing our resources – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	• At least three business cases which will generate long term income streams to be submitted to the Capital Member Group for prioritisation as part of the 2017/18 capital bid process	S&R Committee Mark Berry Head of Place Development Simon Young Head of Legal & Democratic Services Rod Brown Head of Housing & Environmental Services	31 March 2017	**April to Sept:** Capital bid for a Business Hub in the Town Hall submitted but deemed to require further work. No other business cases have been brought forward for prioritisation in the 2017/2018 capital bid process, though there are a number of projects seeking to reduce costs and protect existing income. There are also other projects to be brought forward outside of the normal capital bid process which will, if agreed, generate a long term income for the Council.	R
				Oct to Dec:	
				Jan to March:	

Managing our resources – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible committee / officer	Achieved by:	Latest progress:	Status:
Maximising returns from properties and other investments	• To procure at least two residential units generating no less than 6% return on investment	S&R Committee Rod Brown Head of Housing & Environmental Services	31 March 2017	**April to Sept:** Two offers made on 2 x 2 bed flats in Nimbus Road and Mable Way in Tadworth. Completion on both properties currently expected to be before end of March 2017. Returns will be realised once the properties are rented; at present 0% return received and the 6% anticipated will not be achieved within this financial year.	R
				Oct to Dec:	
				Jan to March:	

Managing our resources – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Developing multi-skilled & motivated staff	• Review and implement a performance pay and staff appraisal scheme	Shona Mason Head of HR & OD	31 March 2017	**April to Sept:** Local Government Association (LGA) commenced review in April 2016 providing an initial report and recommendations in May highlighting which aspect of EEBC Pay & Performance scheme that needed to be reviewed. These included the number of salary bandings and overlaps, complexity of the system and value of progression pay being insufficient. LGA has recommended the introduction of job evaluation, based on the national single status scheme. However, they recommended the benchmarking of key roles as a first stage. As a result the roles for benchmarking have been identified along with a job benchmarking working group. This group is due to undergo training on 3 Nov 2016. The review of our performance pay and staff appraisal scheme will be completed within this financial year however it will not be implemented within 2016/17.	R
				Oct to Dec:	
				Jan to March:	

Corporate Plan: Key Priority Performance Targets for 2016/2017 Phase One

Keeping our borough clean and green	Supporting our community	Managing our resources	Supporting businesses and our local economy
Providing quality parks, nature reserves and other public spaces that are safe, pleasant, and well maintained: • **Obtain external accreditation to recognise the quality of: (C&WC)** ○ **Alexandra Recreation Ground** ○ **Ewell Court Park** ○ **Rosebery Park** ○ **Epsom Common** • **Produce an Operational Management Plan for: (C&WC)** ○ **Alexandra Recreational Ground** ○ **Auriol Park** • **Continue to deliver: (C&WC)** ○ **The Local Biodiversity Action Plan and Management Plans for Horton Country Park and Hogsmill Local Nature Reserve**	Supporting and enabling the delivery of affordable homes: • **Bring back at least three long term empty properties into use (C&WC)**	Developing multi-skilled and motivated staff: • **Review and implement a performance pay and staff appraisal scheme (S&R)** • **LGA "light touch" Decision Making Accountability (DMA) review to be undertaken (S&R)**	Supporting a comprehensive retail, commercial and social offer: • **Prepare a draft business plan for the proposed BID for consideration by Members in January 2017 (S&R)** • **At least 90% of premises licence application determined within 21 days from the end of the statutory consultation period (L&PPC)**
Accommodating sustainable development whilst protecting the green belt in accordance with Policy: • **Members to consider a Strategic Housing Market Assessment (L&PPC)** • **Members to consider a Green Belt Study (L&PPC)** • **Complete the pre-submission consultation on a partial review of the Core Strategy (L&PPC)**	Helping those at risk of homelessness: • **Provide nine additional units of temporary accommodation at Blenheim Road for occupation (C&WC)** • **At least five households accommodated through the private sector leasing scheme by March 2017 (C&WC)** • **Have no more than 60 households living in emergency temporary accommodation (C&WC)** • **Housing allocation policy to be fully implemented (C&WC)**	Providing services digitally: • **New and improved website to go live (S&R)** • **At least 30% of housing clients to complete applications digitally (S&R)** • **Revenues and benefits self-serve functionality available (S&R)**	Maintaining strong links with local business leaders and representative organisations: • **To hold at least three business breakfasts (S&R)** • **At least three additional businesses represented at the business breakfasts meetings (S&R)**
Introducing a premium weekly waste and recycling service as standard for all residents and encouraging more household waste to be recycled: • **Consult members on the action plan for the introduction of the new weekly premium recycling and waste service as standard for all residents and Implement the Plan enabling weekly collection (EC)** • **At least 99% of bins to be collected each week (EC)** • **Promote household recycling by holding: (EC)** ○ **Three road shows, and** ○ **12 school events**	Promoting healthy and active lifestyles, especially for the young and elderly: • **Round the Borough Bike – to have 135 participants (5% increase) (C&WC)** • **Deliver Epsom & Ewell entry into the Surrey Youth Games (C&WC)** • **To deliver a programme of physical activities for older people (C&WC)** • **Round the Borough Hike – to have 70 participants (5% increase) (C&WC)** • **Hold one event each quarter to promote services available to assist residents to remain in their homes (C&WC)** • **Membership at the Epsom Centre to increase to at least 120 members (C&WC)** • **Install community alarms within two days of the assessment (C&WC)** • **Members to consider a review of the new Routecall arrangements (C&WC)**	Identifying new sources of revenue and maximising our existing income: • **At least 98.4% of Council Tax collected (S&R)** • **At least 99.0% of Business Rates to be collected (S&R)** • **At least three business cases which will generate long term income streams to be submitted to the Capital Member Group for prioritisation as part of the 2017/18 capital bid process (S&R)** • **Collect £2.3 million of receivable rents (S&R)** • **Process new Housing Benefit claims within an average time of 22 days (S&R)** • **Process Housing Benefit change of circumstances within an average time 11 days (S&R)**	Supporting developers to bring forward the development of town centre sites: • **Number of major planning applications received (L&PPC)** • **Number of business applications received (L&PPC)** • **Number of other planning applications received (L&PPC)** • **At least 75% of major planning applications determined within 13 weeks (L&PPC)** • **At least 80% of business applications determined within 8 weeks (L&PPC)** • **At least 90% of other planning applications determined within 8 weeks (L&PPC)** • **Produce proposals to implement Planning Performance Agreements for Major Planning Applications by 31 July 2016 and implement these once agreed by the Licensing & Planning Policy Committee (L&PPC)** • **Develop a project plan for major applications (L&PPC)**
Keeping the streets and open spaces clean and tidy: • **At least 75% of streets to have met the national standard for street cleanliness based on a sample of five streets per quarter. (Included in the survey will be parks and shopping areas. The survey will grade litter, graffiti, weeds and grass verges during cutting season) (EC)** • **Remove each abandon vehicle on Borough Council land within five working days from being reported (EC)** • **Remove general fly-tips on Borough Council land from when they are reported within five working days (EC)**	Encouraging and supporting volunteering initiatives: • **Support at least three community/volunteer clean up campaigns (EC)**	Delivering further efficiency savings and cost reductions: • **Development and implementation of a new procurement strategy, revised contract standing orders and implementation of e-tendering package (S&R)** • **Implementation of the agreed ICT proposals for partnership working with Elmbridge Borough Council and undertake progress review (S&R)** • **Review and implement alternative options for delivery of payroll service (S&R)**	Delivering an affordable Economic Development Strategy: • **Commence the delivery of the agreed public realm improvements as part of the phase one highway works within Epsom town centre (S&R)**
Taking action to reduce graffiti, littering, flyposting, illegal advertising and dog fouling: • **Report to be considered by members identifying measures designed to reduce incidents of graffiti, littering, fly-tipping, flyposting, illegal advertising, dog fouling and improve dog control (EC)**		Maximising returns from properties and other investments: • **To procure at least two residential units generating no less than 6% return on investment (S&R)** • **At least an additional £50,000 income to be generated from investment properties (S&R)**	Promoting our Borough as an excellent place to do business: • **Develop business content for Epsom and Ewell and other stakeholder websites (S&R)**

Key: **Achieved or on target**; **Slightly off target not a major concern or slippage**; **Off target / unlikely to be achieved for projected year or not achieved**; **Information only indicator**

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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 updates the Committee on its work programme 2016/17 and highlights that a verbal update on its initial report on the Venues Review will be provided at the meeting.

RECOMMENDATION (S)	*Notes*
That the Committee: **(1) Notes the current position of its work programme 2016/17 attached at Annexe 1** **(2) Receives the verbal update on its report on the review of venues (Bourne Hall and Hook Road Arena) due to be considered by the Community & Wellbeing Committee on 8 November 2016.**	

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.

1.2 The Scrutiny Review of Venues contributes to two of the Council's Key Priorities (i) supporting our community and (ii) managing our resources.

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 The Committee agreed its 2016/17 work programme in June 2016. Included in this work programme was a review of venues, to be undertaken by an appointed scrutiny review task group. The first report of this task group on Bourne Hall and Hook Road Arena was considered by the Committee at its last meeting held on 11 October.

2.3 The Committee received an update on its work programme at its last meeting held in October 2016.

3 Amendments made since October 2016

3.1 Since October one further amendment has been made to the 2016/17 work programme. The report on Data Quality scheduled for the November 2016 meeting will now be brought to the Committee's following meeting in February 2017.

4 Update on the Scrutiny Review of Venues

4.1 At the Audit, Crime & Disorder and Scrutiny Committee meeting of 11 October the Committee agreed that the report of the Scrutiny Review Task Group on Bourne Hall and Hook Road Arena be presented to the Community & Wellbeing Committee on 8 November 2016. A verbal update on the outcome will be provided at the meeting.

5 Proposals

5.1 That the Committee notes the current position of its 2016/17 work programme attached at Annexe 1.

5.2 That the Committee receives a verbal update on its report on the review of venues (Bourne Hall and Hook Road Arena) due to be considered by the Community & Wellbeing Committee on 8 November 2016.

6 Financial and Manpower Implications

6.1 The Committee's work programme has workload implications for both its members and the Scrutiny Officer. In depth scrutiny reviews undertaken by task groups require more intensive input from members as well as the Scrutiny Officer for specific time periods.

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

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

7.1 The work programme at Annexe 1 has been designed to meet the Committee's responsibilities set out in legislation and its Terms of Reference.

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

8 Sustainability Policy and Community Safety Implications

8.1 Scrutiny of the CSP is a responsibility of the Audit, Crime & Disorder and Scrutiny Committee.

9 Partnerships

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

10 Risk Assessment

10.1 Maintenance of an annual work programme helps ensure the Committee meets its responsibilities both statutory and local. It enables the Committee to manage its workload across the year, identifying priorities and rescheduling work according to need/risk.

11 Conclusion and Recommendations

11.1 Under its Terms of Reference the Audit, Crime & Disorder and Scrutiny Committee is responsible for setting its own work programme. The Committee approved its work programme 2016/17 in June 2016.

11.2 It is recommended that the Committee note the latest version of its work programme which encapsulates all amendments to date and that it receives an update on its review of venues (Bourne Hall and Hook Road Arena).

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)
21 June 2016	• Internal Audit Monitoring Report 2015/16 • Internal Audit Assurance Report 2015/16 • Annual Governance Statement 2015/16 • External Audit Update Report • Community Safety Partnership 2015/16 – End of Year Report • Corporate Equality Scheme Annual Report 2015/16 • Annual Report on use of Delegated Powers • Work Programme 2016/17	• Review of Venues
11 Oct 2016	• Review of Venues • Work Programme 2016/17	
15 Nov 2016	• Internal Audit Monitoring Report 2016/17 • Progress on the Implementation of Internal Audit Recommendations • External Audit Progress Report August 2016 • Audit Findings Report 2015/16 • Annual Governance Statement and District Auditor's Audit Findings – Progress Against Action Plans • Risk Management Framework Annual Report • Corporate Plan: Performance Management One 2016 to 2017 • Epsom and Ewell Community Safety Partnership 2016/17 – Half Year Report • Work Programme 2016/17	
9 Feb 2017	• Internal Audit Monitoring Report 2016/17 • External Audit Update Report • Performance Management • Review of CCTV Provision • **Data Quality** • Work Programme 2016/17	
11 April 2017	• Internal Audit Strategy 2017/18 • Internal Audit Monitoring Report 2016/17 • External Audit Update Report • Performance Management • Update Report on the Scrutiny Review of Routecall • Update Report on the Scrutiny Review of the Arrangements for Publicising and Determining Planning Applications • Annual Report 2016/17	

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