



AUDIT COMMITTEE

Tuesday, 30 June 2015

7.00 pm

Town Hall, Watford

Publication date: 22 June 2015

CONTACT

If you require further information or you would like a copy of this agenda in another format, e.g. large print, please contact Sandra Hancock in Democracy and Governance on 01923 278377 or by email to legalanddemocratic@watford.gov.uk .

Welcome to this meeting. We hope you find these notes useful.

ACCESS

Access to the Town Hall after 5.15 pm is via the entrance to the Customer Service Centre from the visitors' car park.

Visitors may park in the staff car park after 4.00 p.m. and before 7.00 a.m. This is a Pay and Display car park; the current charge is £1.50 per visit.

The Committee Rooms are on the first floor of the Town Hall and a lift is available. Induction loops are available in the Committee Rooms and the Council Chamber.

FIRE/EMERGENCY INSTRUCTIONS

In the event of a fire alarm sounding, vacate the building immediately following the instructions given by the Democratic Services Officer.

- Do not use the lifts
- Do not stop to collect personal belongings
- Go to the assembly point at the Pond and wait for further instructions
- Do not re-enter the building until authorised to do so.

MOBILE PHONES

Please ensure that mobile phones are switched off or on silent before the start of the meeting.

FILMING / PHOTOGRAPHY / RECORDING / REPORTING

Please note: this meeting might be filmed / photographed / recorded / reported by a party other than Watford Borough Council for subsequent broadcast or publication.

If you do not wish to have your image / voice captured you should let the Chair or Democratic Services Officer know before the start of the meeting.

An audio recording may be taken at this meeting for administrative purposes only.

COMMITTEE MEMBERSHIP

Councillor I Brown (Chair)
Councillor T Williams (Vice-Chair) T Williams (Vice-Chair)
Councillors A Khan, B Mauthoor and S Silver

AGENDA

PART A - OPEN TO THE PUBLIC

1. APOLOGIES FOR ABSENCE/COMMITTEE MEMBERSHIP

2. DISCLOSURE OF INTERESTS (IF ANY)

3. MINUTES

The minutes of the meeting held on 11 March 2015 to be submitted and signed.

Copies of the minutes of this meeting are usually available seven working days following the meeting.

(All minutes are available on the Council's [website](#).)

4. AUDIT COMMITTEE EFFECTIVENESS

The Committee will receive a presentation from the Shared Internal Audit Service on the effectiveness of the audit committee.

5. REQUESTS MADE UNDER THE FREEDOM OF INFORMATION ACT 2000

(Pages 6 - 23)

Report of the Head of Democracy and Governance

This report provides the half year update of Freedom of Information requests between 1 October 2014 and 31 March 2015.

6. OMBUDSMAN'S ANNUAL LETTER (Pages 24 - 30)

Report of the Head of Democracy and Governance

The Committee is asked to note the content of the Ombudsman's Annual Review letter.

7. EXTERNAL AUDIT PLAN (Pages 31 - 50)

Report of the Acting Head of Finance Shared Services

This report asks the Committee to note the External Audit Plan.

8. REVENUES AND BENEFITS REVIEW (Pages 51 - 54)

Report of the Head of Revenues and Benefits

This report enables the Committee to note the performance of the Revenues and Benefits sections for 2014/15.

9. INTERNAL AUDIT PROGRESS REPORT (Pages 55 - 122)

Report of the Acting Head of Finance Shared Services and Shared Internal Audit Service

This report gives details of the progress made in implementing the recommendations of the internal auditor.

10. INTERNAL AUDIT ANNUAL REPORT (Pages 123 - 155)

This report gives details of the activities of Internal Audit during 2014/2015 and provides an opinion on the adequacy and effectiveness of the Council's internal control environment.

11. FRAUD ANNUAL REPORT (Pages 156 - 164)

Report of the Fraud Manager

This report informs members of the work of the Fraud Section for the financial year 2014/2015 and provides updates on progress and developments for the current financial year.

12. ANNUAL GOVERNANCE STATEMENT 2014/15 (Pages 165 - 180)

Report of the Acting Head of Finance Shared Services

This report enables the Committee to agree the Annual Governance Statement for inclusion in the Draft Statement of Accounts.

13. TREASURY MANAGEMENT (Pages 181 - 188)

Report of Finance Officer

This report presents to members the Annual Treasury Management Report and Prudential Indicators for 2014/15.

14. DRAFT STATEMENT OF ACCOUNTS FOR 2014/15 (Pages 189 - 191)

Report of Acting Head of Finance Shared Services

This report allows the Committee to consider the Draft Statement of Accounts for 2014/15.

The draft Statement of Accounts is to follow.

15. COMMITTEE WORK PROGRAMME (Pages 192 - 194)

Report of Acting Head of Finance Shared Services

This report asks the Committee to review and make necessary changes to its Work Programme.

Agenda Item 5

PART A

Report to: Audit Committee
Date of Meeting 30 June 2015
Report of: Head of Democracy and Governance
Title: Requests made under the Freedom of Information Act 2000

1. **SUMMARY**

This is a half year report of requests made under the Freedom of Information Act 2000.

From 1 October 2014 until 31 March 2015 the Council received 227 requests all but 27 of which were replied to in the required time. A list of the requests is attached at appendix 1

2. **RECOMMENDATIONS**

To note the contents of this report.

Contact Officer:

For further information on this report please contact: Carol Chen
telephone extension: 8350 e-mail:carol.chen@watford.gov.uk

Report approved by Managing Director

3.0 **DETAILED PROPOSAL**

- 3.1 The Freedom of Information Act 2000 came fully into force on 1st January 2005.
As a public authority we are obliged to answer written requests for information under the Act within 20 working days
- 3.2 This report covers the periods 1 October 2014 until 31 March 2015.
- 3.3 In this period the Council recorded receiving 227 requests for information under the Act all but 27 were replied to within the statutory 20 working days.
- 3.4 The requests have been varied. Appendix 1 gives a brief summary of each request.

- 3.5 A comparison with the same period last year shows a slight reduction in the number of requests down from 269 but a significant improvement in the number of responses replied to in time. The percentage of replies out of time is down from 24.5% to 11.9%. This has primarily been due to Revenues and Benefits working to improve their response times.
- 3.6 The Customer Service Centre Team Leaders continue to emphasise to departments the need to respond to requests within the statutory time frame.
- 3.7 The Mayor and Managing Director continue to receive a weekly list of all new FOI requests that are received.
- 3.8 Unfortunately the recording and monitoring processes for FOI requests in Lagan are still not fixed. The Customer Service Centre Team Leader continues to press Capita for a resolution.

4.0 **IMPLICATIONS**

4.1 Financial

The Shared Director of Finance comments that this report indicates that information is found using existing staff resources. If, in the future, the requests increase in number and/or complexity then it may become necessary to review this situation.

4.2 Legal Issues (Monitoring Officer)

The Head of Democracy and Governance comments that ongoing training continues to be provided across the council to ensure officers are aware of the Council's responsibilities under the Act

4.3 Staffing

Requests are currently being managed within existing resources

4.4 Accommodation

No implications

4.5 Equalities

No implications

4.6 Community Safety

No implications

4.7 Sustainability

No implications

4.8

Potential Risks

Potential Risk	Likelihood	Impact	Overall score
Request not replied to within statutory time limit	2	2	4
Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.			

Appendix 1

Summary of FOI requests October 2014 to March 2015

Background papers:

None

FOI Requests (October 2014 - March 2015)

Total - 227

Category codes:

I (Individual no address/not WBC resident) **IWB** (individual WBC resident) **C** (campaign group) **M** (Media) **O** (Organisation)

Page 9

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
Community & Customer Service	Not Available	Sarah Turnbull	Public Health Funerals from 01.06.14	02.10.14	30.10.14	Yes	Yes	No	Individual	I
	Not Available	Sarah Turnbull	List of all Public Health Funerals in the last 6 months	06.10.14	03.11.14	Yes	Yes	No		
	Not Available	Helen George	Housing: Key Worker Accommodation	06.10.14	03.11.14	Yes	Yes	No	Individual	I
	Not Available	Richard Brown	Food Poisoning in Schools	07.10.14	04.11.14	Yes	Yes	No	Organisation	O
	Not Available	Hashmita Mistry	Registered HMO's	10.10.14	10.11.14	Yes	Yes	No	Individual	I
	Not Available	Daniel Hopwood	Sound Pressure Level Monitoring for Herts Pride	11.10.14	10.11.14	Yes	Yes	No	No detail	
	Not Available	Richard Brown	Food Hygiene and Safety Official Controls	13.10.14	10.11.14	Yes	Yes	No	Organisation	O
	Not Available	Sarah Turnbull	Public Health Funerals Please could you kindly send me any information you may hold relating to public or welfare funerals and/or persons who have died with no known next of kin since 1/3/14 to the day of your reply	16.10.14	13.11.14	Yes	Yes	No	Individual	I
	Not Available	Jeff Leib	List of current chauffeur private hire operators and vehicles	21.10.14	18.11.14	Yes	Yes	No		
	Not Available	Sarah Turnbull	The number of public health funerals/environmental funerals paid for in part or in full by the council over the past 10 financial years (i.e. from 2004-05 to 2013-14) broken down with a figure for each individual year.	24.10.14	21.11.14	Yes	Yes	No	Media	M
	Not Available	Sarah Turnbull	Dangerous Wild Animals (Spiders)	28.10.14	25.11.14	Yes	Yes	No	Media	M

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Hashmita Mistry	List of HMO's	28.10.14	25.11.14	Yes	Yes	No	Individual	I
	Not Available	Sarah Turnbull	Pet Board Licensing	03.11.14	01.12.14	Yes	Yes	No	Organisation	O
	Not Available	Sarah Turnbull	Public Health Funerals	05.11.14	03.12.14	Yes	Yes	No	Individual	I
	Not Available	Sarah Turnbull	Public Health Funerals	05.11.14	03.12.14	Yes	Yes	No	Media	M
	Not Available	Josie Oshisanya	Non UK Citizens allocated housing	10.11.14	08.12.14	Yes	Yes	No	Individual	I
	Not Available	No details	Landlord Accreditation	10.11.14	08.12.14	Yes	Yes	No	Organisation	O
	Not Available	Sarah Turnbull	Public Health Funerals	14.11.14	12.12.14	Yes	Yes	No	Individual	I
	Not Available	Richard Brown	Re: Hung Toa, 99 North Western Ave	17.11.14	15.12.14	Yes	Yes	No		
	Not Available	Lynn Lovelock	Housing - asset management software	17.11.14	15.12.14	Yes	Yes	No		
	Not Available	Jeff Leib	List of place where licence is required for hand out leaflets and flyers.	19.11.14	17.12.14	Yes	Yes	No	Individual	I
	Not Available	Richard Brown	Staff employed in PC by the Council and through contractors...	26.11.14	24.12.14	Yes	Yes	No		
	Not Available	Paulette Samuels	Number of noise complaints received in various financial years	27.11.14	29.12.14	Yes	Yes	No	Media	M
	Not Available	Sarah Turnbull	Dangerous Wild Animal Licenses	28.11.14	30.12.14	Yes	Yes	No	Individual	I
	Not Available	Josie Oshisanya	Housing - how many people in Band B. How many families with 3 children in temporary accommodation for more than 6 months	08.12.14	09.01.15	Yes	Yes	No		
	Not Available	Sarah Turnbull	Dangerous Wild Animals	09.12.14	08.01.15	Yes	Yes	No	Organisation	O
	Not Available	Richard Brown	Cost of Stray dogs service	10.12.14	12.01.15	Yes	Yes	No	Individual	I
	Not Available	Sarah Turnbull	Public Health Funerals	12.12.14	14.01.15	Yes	Yes	No	Individual	I
	Not Available	Helen George	Number of people registered as homeless	24.12.14	26.01.15	Yes	Yes	No	Organisation	O

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Sarah Turnbull	Public Health Funerals	02.01.15	30.01.15	Yes	Yes	No	Individual	I
	Not Available	Sarah Turnbull	Public Health Funerals	13.01.15	10.02.15	Yes	Yes	No	Individual	I
	Not Available	Helen George	Asylum seeking children and other children in care of local authority	16.01.15	13.02.15	Yes	Yes	No		
	Not Available	Helen George	Housing accounts and business plan	19.01.15	16.02.15	Yes	Yes	No	Individual	I
	Not Available	Sarah Turnbull	Public Health Funerals	20.01.15	17.02.15	Yes	Yes	No	Media	M
	Not Available	Helen George	Disabled Facilities Grants	21.01.15	18.02.15	Yes	Yes	No	Organisation	O
	Not Available	Sarah Turnbull	Public Health Funerals	30.01.15	27.02.15	Yes	Yes	No	Media	M
	Not Available	Sarah Turnbull	Public Health Funerals	02.02.15	02.03.15	Yes	Yes	No	Individual	I
	Not Available	Rodrigo Matebuena	Renewal Energy Purchases	04.02.15	04.03.15	Yes	Yes	No	Media	M
	Not Available	Richard Brown	Stray Dogs	09.02.15	09.03.15	Yes	Yes	No	Organisation	O
	Not Available	Sarah Turnbull	Public Health Funerals	10.02.15	10.03.15	Yes	Yes	No	Individual	I
	Not Available	Helen George	Budget spend on DV and sexual violence cases	11.02.15	11.03.15	Yes	Yes	No	Individual	I
	Not Available	Helen George	Number of rough sleepers and number of homelessness applications	13.02.15	13.03.15	Yes	Yes	No	Individual	I
	Not Available	Sarah Turnbull	Public Health Funerals	19.02.15	19.03.15	Yes	Yes	No	Individual	I
	Not Available	Jeff Leib	ID Verification Systems	20.02.15	20.03.15	Yes	Yes	No		
	Not Available	Justine Hoy	Overheating/excess heat in Housing Cases	23.02.15	23.03.15	Yes	Yes	No	Organisation	O
	Not Available	Sarah Turnbull	Public Health Funerals	09.03.15	08.04.15	Yes	Yes	No	Individual	I
	Not Available	Phil white	Complaints and FPN issued for Dog Fouling	11.03.15	10.04.15	Yes	Yes	No	Individual	I

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Justine Hoy	Full report and risk assessment for 50 Marlborough Road	12.03.15	13.04.15	Yes	Yes	No	Individual	I
	Not Available	Richard Brown	Food on sale in our area..	16.03.15	15.04.15	Yes	Yes	No	Media	M
	Not Available	Jeff Leib	Taxi Drivers having criminal convictions	20.03.15	22.04.15	Yes	Yes	No	Media	M
	Not Available	Sarah Turnbull	Primate Licensing	20.03.15	22.04.15	Yes	Yes	No	Individual	I
	Not Available	Sarah Turnbull	Public Health Funerals	24.03.15	23.04.15	Yes	Yes	No	Individual	I
	Not Available	Sarah Turnbull	Public Health Funerals	24.03.15	23.04.15	Yes	Yes	No	Individual	I
	Not Available	Jeff Leib	Taxi Operators Licence	24.03.15	23.04.15	Yes	Yes	No	Organisation	O
	Not Available	Cliff Reade	Vexatious FOI requests	26.03.15	27.04.15	Yes	Yes	No	Individual	I
Corporate Strategy & Client Services	Not Available	Prema Mani	Leisure centres budgets	27.10.14	24.11.14	Yes	Yes	No	Media	M
	Not Available	No details	ICT Server Contract Information	06.11.14	04.12.14	Yes	Yes	No	Individual	I
	Not Available	No details	ICT Disposal of IT Equipment	11.11.14	09.12.14	Yes	Yes	No	Individual	I
	Not Available	Kathryn Robson	Reputation management q'aire	24.11.14	22.12.14	Yes	Yes	No	Individual	I
	Not Available	Laura Allan	Fleet management -procurement	27.11.14	29.12.14	Yes	Yes	No	Individual	I
	Not Available	Paul Rabbitts	Roundabout sponsorship	28.11.14	30.12.14	Yes	Yes	No		
	Not Available	Rona Clayton-Robb/Kathryn Robson	Health Campus/Tennis Courts	03.12.14	05.01.15	Yes	Yes	No	Individual	I
	Not Available	Laura Allen	Cost of clearing traveller sites	02.01.15	30.01.15	Yes	Yes	No	Media	M
	Not Available	Paul Rabbitts/Rona Clayton-Robb	Cost & supply of litter bins	05.01.15	02.02.15	Yes	Yes	No	Individual	I

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Paul Rabbitts	Street Trees	15.01.15	12.02.15	Yes	Yes	No	Individual	I
	Not Available	Tracey Jolliffe	Burial fees	21.01.15	18.02.15	Yes	Yes	No	Media	M
	Not Available	Lesley Palumbo/Linda Newell	Woodside Bowls Club Financial Information	24.02.15	24.03.15	Yes	Yes	No	Organisation	O
	Not Available	Hayley Page	Fly tipping (forwarded fom EH)	24.02.15	24.03.15	Yes	Yes	No	Organisation	O
	Not Available	Kathryn Robson	Health Campus (on What do They Know? website)	26.02.15	26.03.15	Yes	Yes	No	Individual	I
	Not Available	Paul Rabbitts	Parks and green spaces	16.03.15	15.04.15	Yes	Yes	No	Individual	I
	Not Available	Tracey Jolliffe	Crematorium costs	17.03.15	20.04.15	Yes	Yes	No	Media	M
Democracy & Governance	Not Available	Howard Hughes	Procurement Mobile phone Contracts	05.10.14	03.11.14	Yes	Yes	No		
	Not Available	Caroline Harris	Equalities information	06.10.14	03.11.14	Yes	Yes	No		
	Not Available	Tony Petts/Ian Brown	Air conditioning Assessment Certification	07.10.14	04.11.14	Yes	Yes	No		
	Not Available	Carol Chen	Community Right to Bid	23.10.14	20.11.14	Yes	Yes	No		
	Not Available	Carol Chen	Legal: Staff that use RIPA	05.11.14	03.12.14	Yes	Yes	No	Media	M
	Not Available	Caroline Harris	Chairman/Mayor xmas cards	24.11.14	22.12.14	Yes	Yes	No		
	Not Available	Ian Browne	Direct labour organisation query	25.11.14	23.12.14	Yes	Yes	No		
	Not Available	Debbie Reynolds	Public toilets	28.11.14	30.12.14	No - No information available.	No	No		
	Not Available	Carol Chen	Environmental/Land charges	23.12.14	23.01.15	Yes	Yes	No	Organisation	O

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Ian Browne	Contract information	03.02.15	03.03.15	Yes	Yes	No	Organisation	O
	Not Available	Carol Chen	Mayor's office budget increase	09.02.15	09.03.15	Yes	Yes	No	Individual	I
	Not Available	Howard Hughes	Contract detail	11.02.15	11.03.15	Yes	Yes	No		
	Not Available	Carol Chen	Councillors who are landlords	11.02.15	11.03.15	Yes	Yes	No		
	Not Available	Carol Chen	RIPA	11.02.15	11.03.15	Yes	Yes	No	Media	M
	Not Available	Ian Browne	Lost keys	17.02.15	17.03.15	No - No information available.	No	No		
	Not Available	Carol Chen	Cost of external legal advice	17.02.15	17.03.15	Yes	Yes	No	Individual	I
	Not Available	Carol Chen	Service charge allocation	18.02.15	18.03.15	Yes	Yes	No	Individual	I
	Not Available	Paul Morton	Twitter data (elections)	09.03.15	08.04.15	Yes	Yes	No		
	Not Available	Howard Hughes	Procurement training	18.03.15	17.04.15	Yes	Yes	No		
	Not Available	Howard Hughes	Procurement tools and contract management	19.03.15	20.04.15	Yes	Yes	No		
	Not Available	Howard Hughes	Procurement	20.03.15	21.04.15	Yes	Yes	No		
	Not Available	Caroline Harris	Youth/Young Mayor	25.03.15	24.04.15	Yes	Yes	No	Organisation	O
Finance	Not Available	Bryan Collett	Festive injuries on Council Property	08.10.14	05.11.14	Yes	Yes	No	Organisation	O
	Not Available	No details	How many injury claims have been made in total at NHS hospitals, bodies, trusts, opticians, pharmacies and surgeries (including GP) since September 2009 and how many of those were successful?	08.10.14	05.11.14	Yes	No	No	Organisation	O
	Not Available	Bryan Collett	Spending information on Consultants, Agency Staff, Street Cleaning, Children's Services and Child Protection	09.11.14	08.12.14	Yes	Yes	No	Individual	I
	Not Available	No details	Grants funding and money donated to HSS UK	14.11.14	12.12.14	TBC	TBC		Individual	I

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of information Y/N	Individual or Organisation	CAT
HR	Not Available	Brian Kane	Requesting number of staff that are self employed, fulltime and part time from 2010 -2014	06.10.14	03.11.14	Yes	Yes	No	Individual	I
	Not Available	Brian Kane	Structure of HR and Payroll teams within the council also including the names and contact details. Details of HR/Payroll System.	28.10.14	25.11.14	Yes	Yes	No	Organisation	O
	Not Available	Brian Kane	Staff employed for Healthy Eating/Drinking	13.11.14	11.12.14	Yes	Yes	No	Campaign Group	C
	Not Available	Brian Kane	Sick absence stats	27.11.14	29.12.14	No - Email sent confirming stats not available.	No	No	Individual	I
	Not Available	Brian Kane	Council officers suspended due to gross misconduct 01/042010 to 30/11/2014.	01.12.14	31.12.14	Yes	Yes	No	Individual	I
	Not Available	Brian Kane	How many people your council hired on a consultancy basis who were previously directly employed by your local authority on a salary of £70,000 or more in the last 12 months et al.	10.12.14	12.01.15	Yes	Yes	No	Media	M
	Not Available	Brian Kane	Does council outsource/purchase or use external recruitment or staffing services.	10.12.14	12.01.15	Yes	Yes	No	Individual	I
	Not Available	Brian Kane	Headcount/turnover/sickness	08.01.15	05.02.15	Yes	Yes	No	Media	M
	Not Available	Brian Kane	Council training information - spending/providers/budget	15.01.15	12.02.15	Yes	Yes	No	Individual	I
	Not Available	Brian Kane	Information on data breaches	19.01.15	16.02.15	Yes	Yes	No	Individual	I
	Not Available	Brian Kane	Living Wage	20.01.15	17.02.15	Yes	Yes	No	Campaign Group	C
	Not Available	Brian Kane	Senior staff 2010 and 2015	17.02.15	17.03.15	Yes	Yes	No	Media	M

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Brian Kane	Headcount/turnover/sickness	25.02.15	25.03.15	Yes	Yes	No	Media	M
	Not Available	Brian Kane	How many female staff we have with the name beginning with A	27.02.15	27.03.15	Yes	Yes	No	Individual	I
	Not Available	Brian Kane	Numbers of disabled staff	04.03.15	01.04.15	Yes	Yes	No	Individual	I
	Not Available	Brian Kane	Disciplinary action details	20.03.15	21.04.15	Yes	Yes	No	Media	M
Multiple	Not Available	Howard Hughes / Sarah Turnbull	Business Contracts Part A and Public Health Funerals Part B	02.10.14	30.10.14	Yes	Yes	No	Individual	I
	Not Available	Jago Durant / Nick Smith/ Gordon Amos	Received by letter and scanned 13.10.14 requesting information on the spending of public money on poll cards, CT demands and reminders and benefit applications and statements.	13.10.14	10.11.14	Yes	No	No	Individual	I
	Not Available	Lyn Lovelock / Hashmita Mistry	EHO staff employed with responsibility for private sector rented housing, number of households placed in private rented sector (PRS) accommodation by the Council's housing service	29.10.14	26.11.14	Yes	No	No	Organisation	O
	Not Available	Ian Browne	Scanned Letter Parks/Property Services	18.11.14	16.12.14	Yes	Yes	No	Organisation	O
	Not Available	Barbara Staples / Helen George	Regeneration Schemes, Section 106's, Windfall Sites, Allocated sites for sale/bidding.	30.11.14	31.12.14	Yes	No	No	Individual	I
	Not Available	Bryan Collett / Rona Clayton-Robb / Brian Kane	Information on Translation Services	02.12.14	02.01.15	Yes	Yes	No	Media	M
	Not Available	Rona Clayton-Robb / Kathryn Robson	Watford Health Campus. Client Services re: Cassiobury Park Tennis Courts	03.12.14	05.01.15	Yes	No - e-mail sent advising of delay in response.	No	Individual	I
	Not Available	Prema Mani / Jane Taylor-Ball	Domestic Violence information	09.12.14	09.01.15	Yes	Yes	No	Individual	I
	Not Available	Sean Peschiara / Barbara Staples	Re: 59 Thorpe Crescent : All Building Control & planning documentation held, A copy of Watford Asbestos Register	12.12.14 by letter	14.01.15	Yes	No	No	Organisation	O

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Rona Clayton-Robb / Lesley Palumbo / Garry Turner / Brian Kane	Communications Staff & Budget, Suspected leaks to the press & RIPA	18.12.14	20.01.15	Yes	No	No	Individual	I
	Not Available	Helen George / Justine Hoy	Private Sector housing (EHL has sent their response 30.1.15)	31.12.14	29.01.15	Yes	No	No	Individual	I
	Not Available	Helen George / Catherine	Complaints against Private Sector Landlords	06.01.15	03.02.15	Yes	No	No	Individual	I
	Not Available	Sarah Priestley / Linda Newell	Request for building and land assets/art assets	07.01.15	04.02.15	Yes	Yes	No	Individual	I
	Not Available	Laura Payne / Helen George / Nick Smith	Cost for temp accommodation including Benefits and Housing	07.01.15	04.02.15	No	No	No	Individual	I
	Not Available	Jamie Sells / Paul Rabbitts / Howard Hughes / Barbara Staples	Advertising & sponsorship	09.01.15	06.02.15	Yes	No	No	Organisation	O
	Not Available	Howard Hughes	Contract Management	13.01.15	10.02.15	Yes	Yes	No	Individual	I
	Not Available	All Depts / Cliff Reade	Christmas Parties Costs	20.01.15	17.02.15	Yes	Yes	No	Individual	I
	Not Available	Jamie Sells	Commercial Waste - by letter.	21.01.15	18.02.15	Yes	No	No	Organisation	O
	Not Available	Barbara Staples / Cliff Reade	MIPIM property festival in Cannes (requested from Mail on Sunday)	26.01.15	23.02.15	Yes	Yes	No	Media	M
	Not Available	Brian Kane	Graduate Schemes/Internships	18.02.15	18.03.15	Yes	Yes	No	Individual	I
	Not Available	Anne Collins / Sarah Priestley	Assets	20.02.15	20.03.15	Yes	Yes	No	Individual	I
	Not Available	All Depts / Cliff Reade	Payments made to Celebrities	20.02.15	20.03.15	Yes	Yes	No	Individual	I
	Not Available	Jamie Sells	Data sold to non council organisations	23.02.15	23.03.15	Yes	No	No	Media	M
	Not Available	Lesley Palumbo	Watford indoor Bowls Club FOI	24.02.15	24.03.15	Yes	Yes	No	Individual	I
	Not Available	All Depts / Cliff Reade	Telecommuting	25.02.15	25.03.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith / Cliff Reade	Data Entry Stats	03.03.15	31.03.15	Yes	Yes	No	Individual	I

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Brian Kane/ Howard Hughes	Recruitment agency use	05.03.15	02.04.15	Yes	Yes	No	Individual	I
	Not Available	Bryan Collett / Howard Hughes / Caroline Harris / Cliff Reade	Outsourcing (Veolia Contract)	10.03.15	09.04.15	Yes	No	No	Individual Watford Resident	IWB
	Not Available	Cliff Reade	Vexatious FOI requests	26.03.15	27.04.15	Yes	Yes	No	Individual	I
	Not Available	Laura Renner	Lawsuits/Litigation	26.03.15	27.04.15	Yes	Yes	No	Organisation	O
	Not Available	Bryan Collett / Paul Rabbitts / Paul Morton	Total Budget/Money spent ES/Japanese knotweed/ How large is the authority.	29.03.15	29.04.15	No	No	No	Individual	I
Regeneration & Development	Not Available	Neil Farnsworth	DC Article 4(1) 2013 direction sun clock tower ascot road, Watford Herts.	01.10.14	29.10.14	Yes	Yes	No	Individual	I
	Not Available	Ellen Rodger	Does your DPD contain a specific commitment to food growing, as part of new developments and/or redevelopments	02.10.14	30.10.14	Yes	Yes	No	Individual	I
	Not Available	Justin Bloomfield	Data on the locations where parking tickets were issued and the total income from these locations for the financial year 2013/14.	02.10.14	30.10.14	Yes	Yes	No	Media	M
	Not Available	Neil Farnsworth	Town Country Planning Act 1990 Land Of Willow Lane Enforcement Action	05.10.14	03.11.14	Yes	Yes	No	Individual	I
	Not Available	David Noble	Enforcement Action issued by the Watford Council 2008 on Kimberley House 49 Vicarage Road Watford and planning application 08/01180/Ful	05.10.14	03.11.14	Yes	Yes	No	Individual	I
	Not Available	Neil Farnsworth	Watford Health Campus list of contractors	09.10.14	06.11.14	Yes	Yes	No	Organisation	O
	Not Available	Karen Barnes	Five Plus Year Housing Land Supply	10.10.14	07.11.14	Yes	Yes	No	Organisation	O
	Not Available	Liam Hornsby	Parking Charges: In total, how much did the local authority or any authorised contractor or sub-contractor receive in parking charges in each of the past three financial years? Please include all on-street, off-street parking charges and any other charges.	23.10.14	20.11.14	Yes	Yes	No	Individual	I

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	No details	Community Right to Bid : the number of successful applications to your Local Authority of the Community Right to Bid subsequent to the passage of the Localism Act (2011)	23.10.14	20.11.14	Yes	Yes	No	Organisation	O
	Not Available	Hannah Heinemann	Market Refurbishment costs	27.10.14	24.11.14	Yes	No	No		
	Not Available	Andy Smith	Regeneration & Development Electric Vehicles/ Population of Watford	28.10.14	25.11.14	Yes	Yes	No	Individual	I
	Not Available	Andy Smith	How many electric vehicles	28.10.14	25.11.14	Yes	Yes	No		
	Not Available	David Noble	Regeneration & Development How many properties built since 1999	14.11.14	12.12.14	Yes	Yes	No	Individual	I
	Not Available	Tim Woolridge	CCTV Refusal town centre	14.11.14	12.12.14	Yes	Yes	No		
	Not Available	Tim Woolridge	CCTV footage	18.11.14	16.12.14	Yes	Yes	No	Individual	I
	Not Available	David Noble	Office to residential prior approval applications received by the Council between 30 May 2013 and 31 July 2014	23.11.15	22.12.14	Yes	Yes	No	Individual	I
	Not Available	David Noble	1. On how many occasions have you refused planning permission for housing developments in the past two years that have resulted in planning appeals?	27.11.14	29.12.14	Yes	Yes	No	Media	M
			2. How many of these appeals have you lost?							
			3. What were the dates of the appeal hearings, the site and size of each proposed development, and the name of the developer?							
			4. What costs, if any, were awarded against the council in each case?							
			5. For each hearing/development listed in 3, an indication of whether the proposed development was in a rural environment.							
	Not Available	David Noble	I am writing in regard to the conversion of offices (Use Class B1(a)) to residential accommodation (Use Class C3) under permitted development rights promulgated in May 2013, as a result of which express planning permission is no longer needed for such conversions.	27.11.14	29.12.14	Yes	Yes	No	Individual	I
	Not Available	Catrina Ramsey	CLT (Community Land Trust)	30.11.14	31.12.14	Yes	Yes	No	Individual	I

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Linda Newell	When we started paying rent/rates on 83B Holywell Surgery	15.12.14	15.01.15					
	Not Available	Angela Fuller	Garage Rentals	05.01.15	02.02.15	Yes	Yes	No		
	Not Available	David Noble	Planning Appeal costs	16.01.15	13.02.15	Yes	Yes	No	Individual	I
	Not Available	Liam Hornsby	Bay suspension Estcourt Road	21.01.15	18.02.15	Yes	Yes	No	Individual	I
	Not Available	Liam Hornsby	Parking Bay suspension Estcourt Road	21.02.15	21.03.15	Yes	Yes	No	Individual	I
	Not Available	Liam Hornsby	Parking Fines	26.02.15	26.03.15	Yes	Yes	No	Individual	I
	Not Available	Tim Woolridge	CCTV Cameras in our district	18.03.15	17.04.15	Yes	Yes	No	Media	M
	Not Available	Brian Scott	Yellow Lines on her drop kerb	24.03.15	23.04.15	Yes	Yes	No	Individual	I
Revenues & Benefits	Not Available	Trude Leach	Accounts in credit Addresses of all commercial properties that currently have a credit on their account above £1,000.	01.10.14	29.10.14	Yes	Yes	No	Organisation	O
	Not Available	Trude Leach	Mandatory Charitable Relief	02.10.14	30.10.14	Yes	Yes	No		
	Not Available	Trude Leach	Small Business Rate Relief	09.10.14	06.11.14	Yes	Yes	No		
	Not Available	Trude Leach	URL to Business Rates credit balances data on Council portal	10.10.14	07.11.14	Yes	Yes	No		
	Not Available	Trude Leach	Council Tax Support	10.10.14	07.11.14	Yes	Yes	No		
	Not Available	Trude Leach	Any commercial property within your Billing Authority, that has a Non Active/Closed business rates account, and/or is listed as being in administration/liquidation, that has a credit on the account, with the billing date/year that this credit was added	13.10.14	10.11.14	Yes	Yes	No		
	Not Available	Nick Smith	Current account holder/ratepayer, Account number, Property reference number, Account start date, Address and postal code, Correspondence or billing address, Rateable value (RV), An indicator as to whether the property is occupied or empty, Including detail of any applied exemptions where applicable	20.10.14	17.11.14	Yes	No	No	Organisation	O

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Nick Smith	Current overpayment/credit shown for any financial year if credit balance hasn't been carried forward, Accounts where a 'write on' has been used since 1st April 2000 to cancel an overpayment which has not since been reversed.	21.10.14	18.11.14	Yes	No	No		
	Not Available	Nick Smith	Credits held on your records for ratepayers in respect of payment of Business Rates	05.11.14	03.12.14	Yes	Yes	No		
	Not Available	Nick Smith	A list of all live business rates accounts with a 2010 list Rateable Value greater than or equal to £25,000.	06.11.14	04.12.14	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	CTS War Pensions	10.11.14	08.12.14	Yes	No	No	Individual	I
	Not Available	Nick Smith	Business Rates - Rateable Values	13.11.14	11.12.14	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	List of all commercial properties	14.11.14	12.12.14	Yes	No	No		
	Not Available	Nick Smith	Referred to CS 0812	25.11.14	23.12.14	Yes	Yes	No		
	Not Available	Nick Smith	Logged with Capita 1212	25.11.14	23.12.14	Yes	Yes	No		
	Not Available	Nick Smith	Logged with Capita 0812	26.11.14	24.12.14	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Logged with Capita 0812	01.12.14	31.12.14	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Ctax Bankruptcy / Charging Orders	01.12.14	31.12.14	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Logged with Capita 0812	02.12.14	02.01.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Logged with Capita 0812	02.12.14	02.01.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Logged with Capita 0812	02.12.14	02.01.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Requesting Ratepayer information	04.12.14	06.01.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Replied to TRDC - Phil King	08.12.14	08.01.15	Yes	Yes	No	Organisation	O

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Nick Smith	Property request	11.12.14	13.01.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Ltd companies request	11.12.14	13.01.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	No Details	11.12.14	13.01.15	Yes	No	No		
	Not Available	Nick Smith	Accounts with numerous Relief's	17.12.14	19.01.15	Yes	No	No		
	Not Available	Nick Smith	New accounts during 151214 to 311214	02.01.15	30.01.15	Yes	No	No		
	Not Available	Nick Smith	Accounts with numerous Relief's	07.01.15	04.02.15	Yes	No	No		
	Not Available	Nick Smith	Accounts in credit	12.01.15	09.02.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Accounts with numerous Relief's	13.01.15	10.02.15	Yes	No	No	Individual	I
	Not Available	Nick Smith	Accounts with numerous Relief's	15.01.15	12.02.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Accounts with Charity Relief's	23.01.15	20.02.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Accounts since Oct 2014	26.01.15	23.02.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Relief request	27.01.15	24.02.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Request NDR Ratepayer names	29.01.15	26.02.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Ltd companies request	30.01.15	27.02.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	SBRR request	02.02.15	02.03.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Account request	03.02.15	03.03.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Relief request	04.02.15	04.03.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Accounts with relevant RV's	06.02.15	06.03.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Accounts in credit	09.02.15	09.03.15	Yes	Yes	No	Individual	I

SERVICE	CASE REF	Handling Officer	REASON FOR REQUEST	DATE RECEIVED	DUE DATE	INFORMATION PROVIDED? (Y/N)	Responded within Timescale? Y/N	Customer advised on alternative location of Information Y/N	Individual or Organisation	CAT
	Not Available	Nick Smith	Accounts in credit	11.02.15	11.03.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Accounts with numerous Relief's	12.02.15	12.03.15	Yes	Yes	No		
	Not Available	Nick Smith	Logged with Capita	19.02.15	19.03.15	Yes	No	No	Organisation	O
	Not Available	Nick Smith	Accounts with numerous Relief's	19.02.15	19.03.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Logged with Capita	26.02.15	26.03.15	Yes	No	No	Individual	I
	Not Available	Nick Smith	RDS advice	01.03.15	30.03.15	Yes	Yes	No		
	Not Available	Nick Smith	Credits	02.03.15	30.03.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Req date 0103 to 1503 - Capita	16.03.15	15.04.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	New accounts during 010215 to 150215	16.03.15	15.04.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Ratepayer info	19.03.15	20.04.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Revs & Bens Documents	19.03.15	20.04.15	Yes	Yes	No	Organisation	O
	Not Available	Nick Smith	Detailed NDR database - Log 2603	25.03.15	24.04.15	Yes	Yes	No	Individual	I
	Not Available	Nick Smith	Retail Rate Relief - Logged 2603	25.03.15	24.04.15	Yes	Yes	No	Organisation	O

Agenda Item 6

PART A

Report to: Audit Committee
Date of meeting: 30 June 2015
Report of: Head of Democracy and Governance
Title: Ombudsman's Annual Letter

1.0 **SUMMARY**

1.1 To note the Local Government Ombudsman's Annual Review Letter attached at Appendix 1

2.0 **RECOMMENDATIONS**

2.1 To note the Local Government Ombudsman's Annual Review Letter 2015

Contact Officer:

For further information on this report please contact: Carol Chen Head of Democracy and Governance
telephone extension: 8350 email: carol.chen@watford.gov.uk

3.0 **DETAILED PROPOSAL**

- 3.1 Every year the Local Government Ombudsman produces an Annual Letter that informs Councils of her work in the previous financial year and also provides detail of statistics of the number of complaints received and dealt with.
- 3.2 The Annual letter is attached as appendix 1 together with 2 spreadsheets giving details of decisions made and complaints received.
- 3.3 Members will note that whilst the Ombudsman received 17 complaints and enquiries for the period April 2014 to March 2015 only 5 were investigated. Of those 5, 3 were upheld. All 3 related to Revenues and Benefits.
- 3.4 The main reason why those particular complaints were upheld was due either to delays in responding to the customer or due to failure to notify the customer of action taken. All had history going back before 2014.

- 3.5 Of those specified by the Ombudsman as referred back for local resolution the Head of Democracy and Governance has no record of being notified about them by the Ombudsman so has no way of determining if any of the complainants did then complain directly to the Council.
- 3.6 The Head of Democracy and Governance has asked the Member and Civic Events Officer to forward to all members a copy of the publication “Handling Complaints for Service Improvement “ referred to in the Ombudsman’s letter under Supporting Local Scrutiny.
- 3.7 The Committee is asked to note the report.

4.0 **IMPLICATIONS**

4.1 **Financial**

- 4.1.1 The Shared Director of Finance comments that there are no financial implications in this report

4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 The Head of Democracy and Governance comments that as Monitoring Officer I am obliged to formally report to Cabinet or Council any findings of maladministration by the Ombudsman.

Appendices

- Annual Review Letter 2015

Background Papers

No papers were used in the preparation of this report.

File Reference

- None

18 June 2015

By email

Mr Manny Lewis
Managing Director
Watford Borough Council

Dear Mr Lewis

Annual Review Letter 2015

I am writing with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2015. This year's statistics can be found in the table attached.

The data we have provided shows the complaints and enquiries we have recorded, along with the decisions we have made. We know that these numbers will not necessarily match the complaints data that your authority holds. For example, our numbers include people who we signpost back to the council but who may never contact you. I hope that this information, set alongside the data sets you hold about local complaints, will help you to assess your authority's performance.

We recognise that the total number of complaints will not, by itself, give a clear picture of how well those complaints are being responded to. Over the coming year we will be gathering more comprehensive information about the way complaints are being remedied so that in the future our annual letter focuses less on the total numbers and more on the outcomes of those complaints.

Supporting local scrutiny

One of the purposes of the annual letter to councils is to help ensure that learning from complaints informs scrutiny at the local level. Supporting local scrutiny is one of our key business plan objectives for this year and we will continue to work with elected members in all councils to help them understand how they can contribute to the complaints process.

We have recently worked in partnership with the Local Government Association to produce a workbook for councillors which explains how they can support local people with their complaints and identifies opportunities for using complaints data as part of their scrutiny tool kit. This can be found [here](#) and I would be grateful if you could encourage your elected members to make use of this helpful resource.

Last year we established a new Councillors Forum. This group, which meets three times a year, brings together councillors from across the political spectrum and from all types of local authorities. The aims of the Forum are to help us to better understand the needs of councillors when scrutinising local services and for members to act as champions for learning from complaints in their scrutiny roles. I value this direct engagement with elected members and believe it will further ensure LGO investigations have wider public value.

Encouraging effective local complaints handling

In November 2014, in partnership with the Parliamentary and Health Service Ombudsman and Healthwatch England, we published *'My Expectations'* a service standards framework document describing what good outcomes for people look like if complaints are handled well. Following extensive research with users of services, front line complaints handlers and other stakeholders, we have been able to articulate more clearly what people need and want when they raise a complaint.

This framework has been adopted by the Care Quality Commission and will be used as part of their inspection regime for both health and social care. Whilst they were written with those two sectors in mind, the principles of *'My Expectations'* are of relevance to all aspects of local authority complaints. We have shared them with link officers at a series of seminars earlier this year and would encourage chief executives and councillors to review their authority's approach to complaints against this user-led vision. A copy of the report can be found [here](#).

Future developments at LGO

My recent annual letters have highlighted the significant levels of change we have experienced at LGO over the last few years. Following the recent general election I expect further change.

Most significantly, the government published a review of public sector ombudsmen in March of this year. A copy of that report can be found [here](#). That review, along with a related consultation document, has proposed that a single ombudsman scheme should be created for all public services in England mirroring the position in the other nations of the United Kingdom. We are supportive of this proposal on the basis that it would provide the public with clearer routes to redress in an increasingly complex public service landscape. We will advise that such a scheme should recognise the unique roles and accountabilities of local authorities and should maintain the expertise and understanding of local government that exists at LGO. We will continue to work with government as they bring forward further proposals and would encourage local government to take a keen and active interest in this important area of reform in support of strong local accountability.

The Government has also recently consulted on a proposal to extend the jurisdiction of the LGO to some town and parish councils. We currently await the outcome of the consultation but we are pleased that the Government has recognised that there are some aspects of local service delivery that do not currently offer the public access to an independent ombudsman. We hope that these proposals will be the start of a wider debate about how we can all work together to ensure clear access to redress in an increasingly varied and complex system of local service delivery.

Yours sincerely



Dr Jane Martin
Local Government Ombudsman
Chair, Commission for Local Administration in England

Local authority report – Watford Borough Council

For the period ending – 31/03/2015

For further information on interpretation of statistics click on this link to go to <http://www.lgo.org.uk/publications/annual-report/note-interpretation-statistics/>

Complaints and enquiries received

Local Authority	Adult Care Services	Benefits and tax	Corporate and other services	Education and children's services	Environmental services and public protection	Highways and transport	Housing	Planning and development	Total
Watford BC	0	6	2	1	0	1	3	4	17

Page 28

Decisions made

Local Authority	Detailed investigations carried out		Advice given	Closed after initial enquiries	Incomplete/Invalid	Referred back for local resolution	Total
	Upheld	Not Upheld					
Watford BC	3	2	0	6	0	6	17

Watford BC
Decisions made in period (Apr 2014 - Mar 2015)

	Ref	Authority	Category	Decision date	Decision
1	14000424	Watford BC	Benefits & Tax	15/May/2014	Closed after initial enquiries
2	14002114	Watford BC	Corporate & Other Services	30/May/2014	Closed after initial enquiries
3	14002850	Watford BC	Planning & Development	30/May/2014	Closed after initial enquiries
4	14002986	Watford BC	Housing	23/Jun/2014	Closed after initial enquiries
5	14004881	Watford BC	Benefits & Tax	24/Jun/2014	Referred back for local resolution
6	14004667	Watford BC	Benefits & Tax	04/Jul/2014	Closed after initial enquiries
7	14006252	Watford BC	Corporate & Other Services	15/Jul/2014	Referred back for local resolution
8	13014983	Watford BC	Benefits & Tax	25/Jul/2014	Upheld
9	14008289	Watford BC	Planning & Development	18/Aug/2014	Referred back for local resolution
10	14010079	Watford BC	Housing	16/Sep/2014	Referred back for local resolution
11	14009513	Watford BC	Planning & Development	01/Oct/2014	Closed after initial enquiries
12	14011883	Watford BC	Benefits & Tax	17/Oct/2014	Referred back for local resolution
13	14009678	Watford BC	Benefits & Tax	05/Jan/2015	Upheld
14	14015951	Watford BC	Education & Childrens Services	07/Jan/2015	Referred back for local resolution
15	14011529	Watford BC	Benefits & Tax	27/Jan/2015	Upheld
16	13020860	Watford BC	Housing	09/Feb/2015	Not Upheld
17	14010060	Watford BC	Planning & Development	09/Feb/2015	Not Upheld

Watford BC
Complaints received in period (Apr 2014 - Mar 2015)

	Ref	Authority	Category	Received Date
1	14000424	Watford BC	Benefits & Tax	08/Apr/2014
2	14002114	Watford BC	Corporate & Other Services	08/May/2014
3	14002850	Watford BC	Planning & Development	20/May/2014
4	14002986	Watford BC	Housing	21/May/2014
5	14004667	Watford BC	Benefits & Tax	19/Jun/2014
6	14004881	Watford BC	Benefits & Tax	24/Jun/2014
7	14006252	Watford BC	Corporate & Other Services	15/Jul/2014
8	14008289	Watford BC	Planning & Development	18/Aug/2014
9	14009513	Watford BC	Planning & Development	08/Sep/2014
10	14009678	Watford BC	Benefits & Tax	10/Sep/2014
11	14010079	Watford BC	Housing	16/Sep/2014
12	13020860	Watford BC	Housing	30/Sep/2014
13	14011529	Watford BC	Benefits & Tax	13/Oct/2014
14	14011883	Watford BC	Benefits & Tax	17/Oct/2014
15	14010060	Watford BC	Planning & Development	01/Dec/2014
16	14015951	Watford BC	Education & Childrens Services	07/Jan/2015
17	14019875	Watford BC	Highways & Transport	13/Mar/2015

Report to: Audit Committee

Date of meeting: 30 June 2015

Report of: Acting Head of Finance Shared Services

Title: External Audit Plan

1.0 SUMMARY

1.1 To receive the External Audit Plan prepared by Grant Thornton UK LLP the Council's appointed external auditors.

2.0 RECOMMENDATIONS

2.1 That members note the contents of the External Audit Plan.

Contact Officer:

For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Joanne Wagstaffe, Director of Finance

3.0 **DETAILS**

3.1 Attached at Appendix 1 is the External Audit Plan for 2013/14. The Audit Plan covers:-

- Understanding your business,
- Developments relevant to the Council's business and the audit,
- The audit approach,
- Audit focused on risk,
- Significant risks identified,
- Other risks,
- Group scope and risk assessment,
- Value for Money,
- Results of interim work,
- Key dates,
- Fees and independence,
- Communication of audit matters with those charged with governance.

3.2 The Interim Audit included key areas and was carried out in April 2015. There are no significant weaknesses to bring to Members attention.

3.3 A representative from Grant Thornton UK LLP will be at the meeting to present the plan and answer questions.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The recommendations in this report are within the Council's agreed policy and budgets.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 None Specific.

4.3 **Equalities**

None Specific.

4.4 **Potential Risks**

There are no risks associated with the decisions members are being asked to make.

APPENDICES

Appendix 1 The Audit Plan for Watford Borough Council – Year ended 31
March 2015 (June 2015) – Grant Thornton UK LLP

The Audit Plan for Watford Borough Council

This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

Year ended 31 March 2015

June 2015

Paul Dossett
Engagement Lead

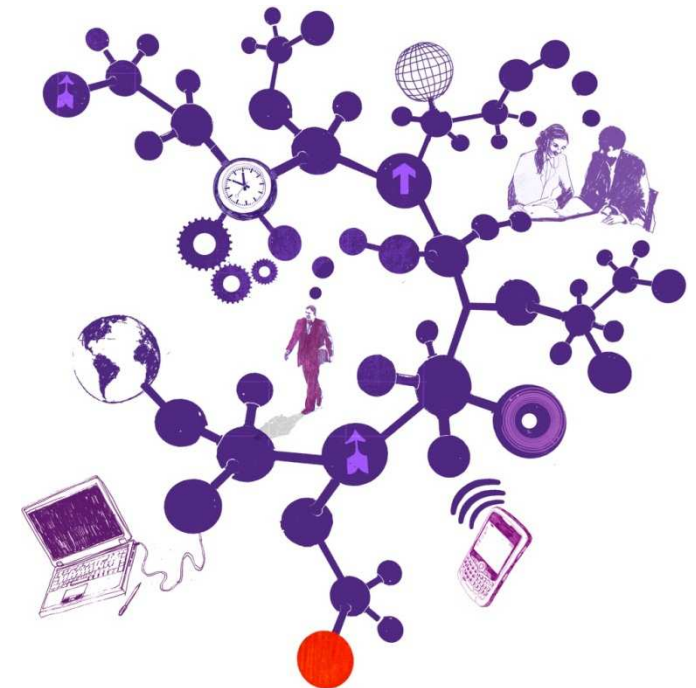
T +44 (0)207 728 3180
E paul.dossett@uk.gt.com

Richard Lawson
Manager

T +44 (0)207 728 2084
E richard.lawson@uk.gt.com

Ellen Millington

Audit Executive
T 020 7728 3379
E ellen.millington@uk.gt.com



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 the Council 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.

Contents

Section

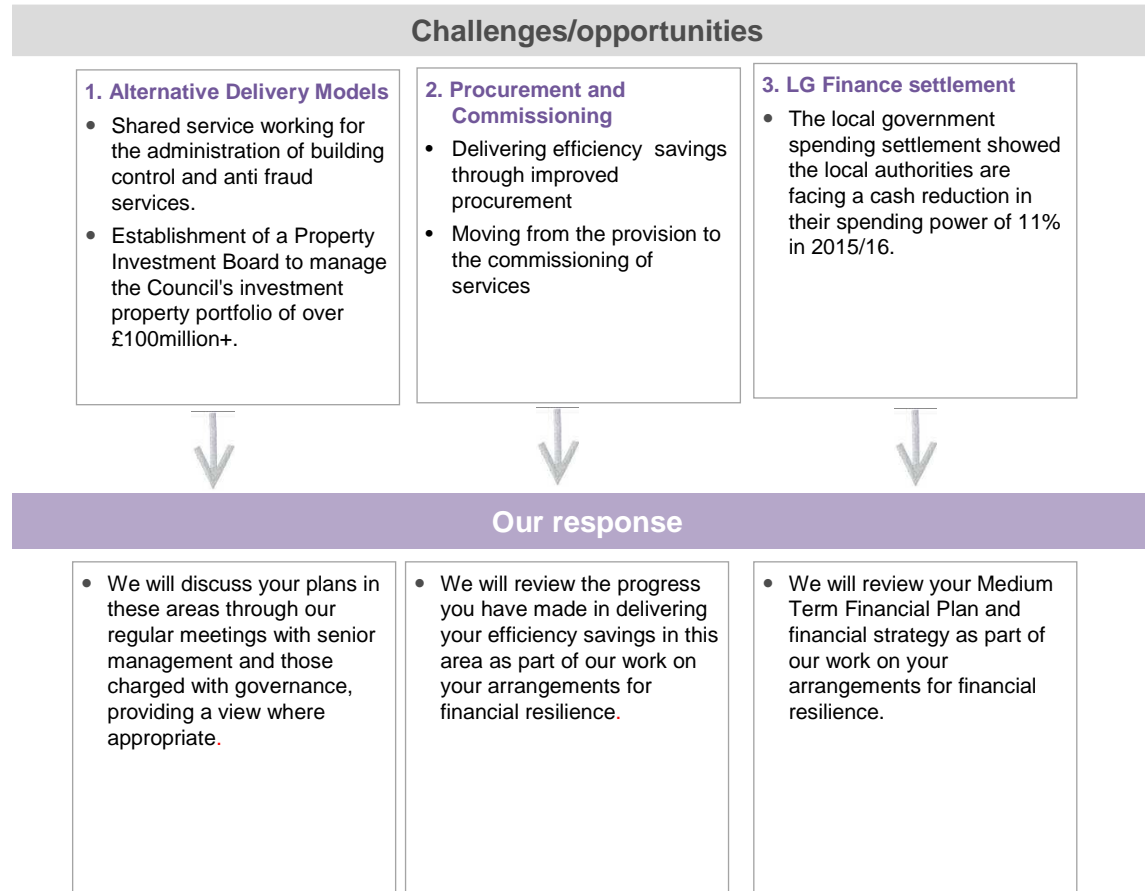
1. Understanding your business
2. Developments relevant to your business and the audit
3. Our audit approach
4. An audit focused on risks
5. Significant risks identified
6. Other risks
7. Group scope and risk assessment
8. Value for Money
9. Results of interim work
10. Key dates
11. Fees and independence
12. Communication of audit matters with those charged with governance

Appendices

- A. Action plan

Understanding your business

In planning our audit we need to understand the challenges and opportunities the Council is facing. We set out a summary of our understanding below.



Developments relevant to your business and the audit

In planning our audit we also consider the impact of key developments in the sector and take account of national audit requirements as set out in the Code of Audit Practice ('the code') and associated guidance.

Developments and other requirements

1. Financial reporting

- Changes to the CIPFA Code of Practice
- Changes to the recognition of school land and buildings on local authority balance sheets
- Adoption of new group accounting standards (IFRS 10, 11 and 12)

2. Legislation

- Local Government Finance settlement

3. Corporate governance

- Annual Governance Statement (AGS)
- Explanatory foreword

4. Financial Pressures

- Managing service provision with less resource
- Progress against savings plans

5. Other requirements

- The Council is required to submit a Whole of Government accounts pack on which we provide an audit opinion
- The Council completes grant claims and returns on which audit certification is required

Our response

We will ensure that

- the Council complies with the requirements of the CIPFA Code of Practice through discussions with management and our substantive testing

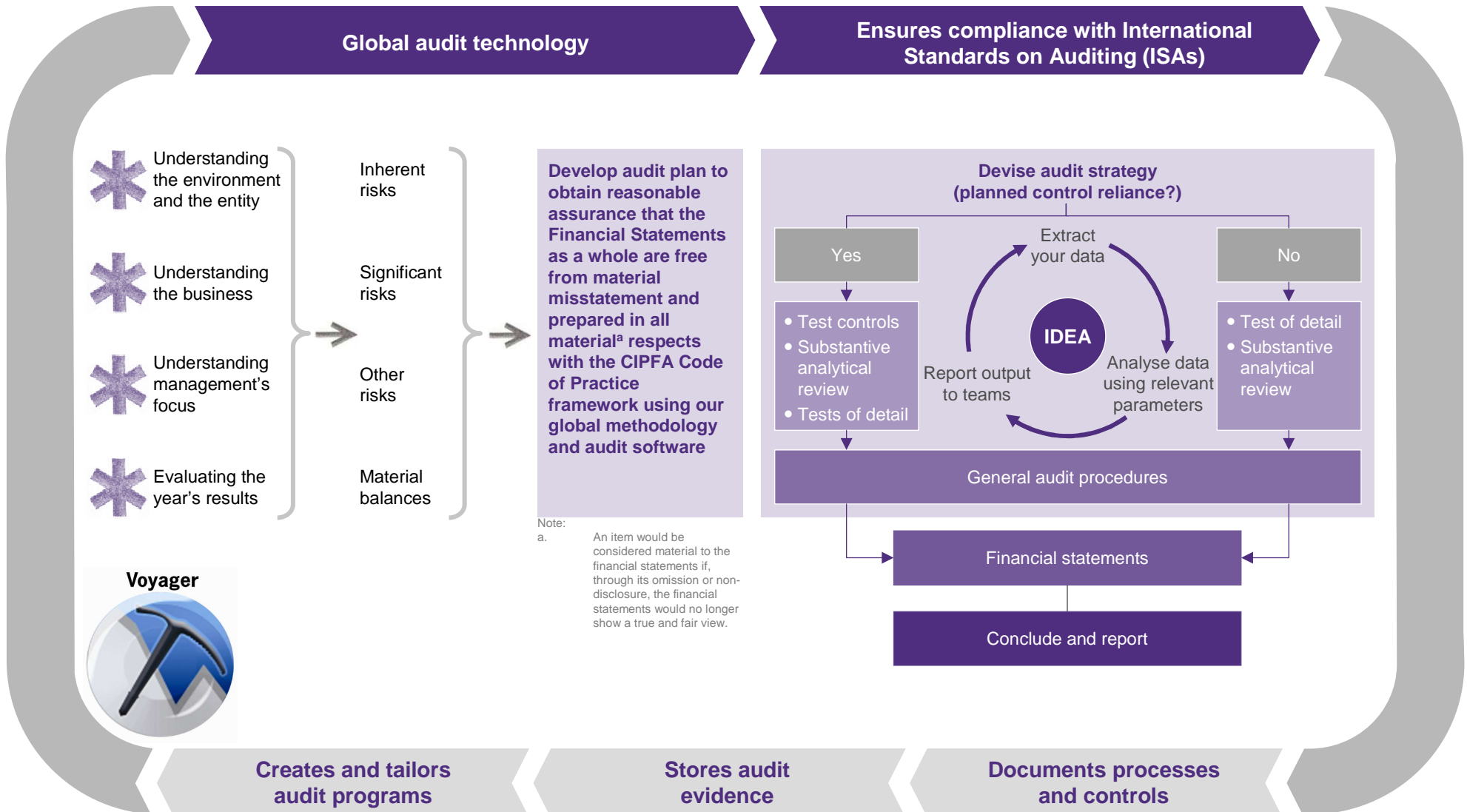
- We will discuss the impact of the legislative changes with the Council through our regular meetings with senior management and those charged with governance, providing a view where appropriate

- We will review the arrangements the Council has in place for the production of the AGS
- We will review the AGS and the explanatory foreword to consider whether they are consistent with our knowledge

- We will review the Council's performance against the 2014/15 budget, including consideration of performance against the savings plan
- We will undertake a review of Financial Resilience as part of our VfM conclusion

- We will carry out work on the WGA pack in accordance with requirements
- We will certify the housing benefit subsidy claim in accordance with the requirements specified by Public Sector Audit Appointments Ltd. This company will take over the Audit Commission's responsibilities for housing benefit grant certification from 1 April 2015.

Our audit approach



Significant risks identified

'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 315).

In this section we outline the significant risks of material misstatement which we have identified. There are two presumed significant risks which are applicable to all audits under auditing standards (International Standards on Auditing – ISAs) which are listed below:

Significant risk	Description	Substantive audit procedures
The revenue cycle includes fraudulent transactions	<p>Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Watford Borough Council , we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> •there is little incentive to manipulate revenue recognition with no relevant stakeholder reliance or management bonuses t in respect of the financial statement outturn. •opportunities to manipulate revenue recognition are very limited •the culture and ethical frameworks of local authorities, including Watford Borough Council, mean that all forms of fraud are seen as unacceptable.
Management over-ride of controls	<p>Under ISA 240 the presumption that the risk of management over-ride of controls is present in all entities.</p>	<p>Work completed to date:</p> <ul style="list-style-type: none"> •Testing of months 1 – 10 journal entries <p>Further work planned:</p> <ul style="list-style-type: none"> •Review of accounting estimates, judgments and decisions made by management •Testing of months 11 and 12 journal entries •Review of unusual significant transactions

Other risks identified

The auditor should evaluate the design and determine the implementation of the entity's controls, including relevant control activities, over those risks for which, in the auditor's judgment, it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures (ISA 315).

In this section we outline the other risks of material misstatement which we have identified as a result of our planning.

Other risks	Description	Audit Approach
Operating expenses	Creditors understated or not recorded in the correct period (Operating expenses understated)	<p>Work performed at interim:</p> <ul style="list-style-type: none"> •We performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding. •We tested journal entries from months 1 – 10 on a sample basis to gain assurance that there are adequate controls in place over inputting and processing and that these have operated effectively through the financial year. <p>Further work planned:</p> <ul style="list-style-type: none"> •We will review large and unusual items and test a sample of these. •We will test a sample of items of expenditure to gain assurance that expenditure has been correctly classified and for occurrence and allocation. •We will perform tests of journals from months 11 – 12.
Employee remuneration	Employee remuneration accruals understated (Remuneration expenses not correct)	<p>Work performed at interim:</p> <ul style="list-style-type: none"> •We performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding. •We tested a sample of payroll payments made during months 1 – 10 to gain assurance that employees have been remunerated at the correct rates during 2014/15. <p>Further work planned:</p> <ul style="list-style-type: none"> •We will perform tests of payroll from months 11 – 12. •We will perform cut-off testing to ensure that transactions have been recorded in the correct accounting period. •In addition to a review of the work of the pension fund actuary, we will perform substantive tests on the cost of pensions.

Value for money

Value for money

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

Our VfM conclusion is based on the following criteria specified by the Audit Commission:

VfM criteria	Focus of the criteria
The organisation has proper arrangements in place for securing financial resilience	The organisation has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future
The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness	The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity

We will undertake a risk assessment of the Council's VfM arrangements to identify areas of risk to our VfM conclusion.

The results of our VfM audit work and the key messages arising will be reported in our Audit Findings report and in the Annual Audit Letter.

Results of interim audit work

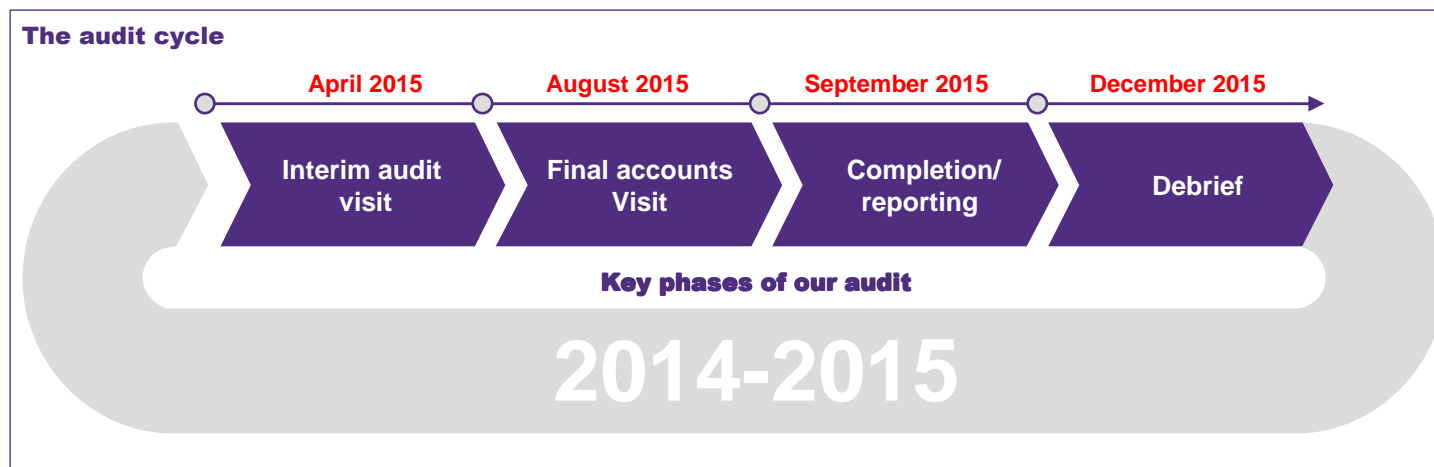
The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed and findings	Conclusion
Internal audit	We have reviewed internal audit's work on the Council's key financial systems to date. We have not identified any significant weaknesses impacting on our responsibilities.	Our review of internal audit work has not identified any weaknesses which impact on our audit approach.
Walkthrough testing	We have completed walkthrough tests of controls operating in areas where we consider that there is a risk of material misstatement to the financial statements. Our work has not identified any issues which we wish to bring to your attention. Internal controls have been implemented in accordance with our documented understanding.	Our work has not identified any weaknesses which impact on our audit approach.
Entity level controls	We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including: <ul style="list-style-type: none"> •Communication and enforcement of integrity and ethical values •Commitment to competence •Participation by those charged with governance •Management's philosophy and operating style •Organisational structure •Assignment of authority and responsibility •Human resource policies and practices 	Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements

Results of interim audit work cont'd

	Work performed	Conclusion
Review of information technology controls	<p>We performed a high level review of the general IT control environment, as part of the overall review of the internal controls system. We have also performed a follow up of the issues that were raised last year.</p> <p>IT (information technology) controls were observed to have been implemented in accordance with our documented understanding.</p>	<p>Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements. We have re-raised the points from the prior year and these have been included as part of our action plan in the appendices to this plan.</p>
Journal entry controls	<p>We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy and have not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.</p> <p>To date we have undertaken detailed testing on journal transactions recorded for the first ten months of the financial year, by extracting 'unusual' entries for further review. No issues have been identified that we wish to highlight for your attention.</p>	<p>Our work to date has identified no material weaknesses which are likely to adversely impact on the Council's financial statements. We will complete our testing during our final accounts visit and report the results to the September 2015 audit committee.</p>
Early substantive testing	<p>We have performed attribute testing on 10 months of payroll transactions with no issues to report.</p> <p>The testing will be completed during our final accounts visit.</p>	<p>Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements.</p>

Key dates



Date	Activity
March 2015	Planning
April 2015	Interim site visit
June 2015	Presentation of audit plan to Audit Committee
August 2015	Year end fieldwork
September 2015	Audit findings clearance meeting with Director of Finance
September 2015	Report audit findings to those charged with governance Audit Committee
September 2015	Sign financial statements opinion

Fees and independence

Fees

	£
Council audit	68,400
Grant certification	12,600
Total fees (excluding VAT)	81,000

Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list
- The scope of the audit, and the Council and its activities, have not changed significantly
- The Council will make available management and accounting staff to help us locate information and to provide explanations

Grant certification

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

Fees for other services

Service	Fees £
None	Nil

Fees for other services

Fees for other services reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter.

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.

Full details of all fees charged for audit and non-audit services will be included in our Audit Findings report at the conclusion of the audit.

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

Communication of audit matters with those charged with governance

International Standards on Auditing (ISA) 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.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

Respective responsibilities

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

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. 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 Audit Commission and includes nationally prescribed and locally determined work. 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 issue 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 the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

Appendices

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	<p>Lack of user access rights review – Network</p> <p>A review of user management processes identified that user accounts and associated permissions within network and network folders were not being routinely reviewed for appropriateness.</p> <p>In the absence of formalised users access rights reviews, access to information resources and system functionality may not be restricted on the basis of legitimate business need. Users access rights may become disproportionate to their responsibilities.</p>	L		
2	<p>Logical Access Settings</p> <p>Active Directory parameters are not configure to log out the system if it is inactive for certain period, hence, there is an increased risk of unauthorised access to systems which could affect the privacy and integrity of financial data.</p>	L		



© 2015 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). References to 'Grant Thornton' are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

grant-thornton.co.uk

Report to: Audit Committee

Date of meeting: 30 June 2015

Report of: Head of Revenues and Benefits

Title: Review of Revenues & Benefits 2014/15

1.0 **SUMMARY**

1.1 This report enables the Committee to note the performance of the Revenues and Benefits sections for 2014/15

2.0 **RECOMMENDATIONS**

2.1 That, the Committee note the performance of the Revenues and Benefits sections for 2014/15 as shown at Appendix 1

Contact Officer:

For further information on this report please contact: -
Robert Della - Sala, Head of Revenue and Benefits, Shared Services
telephone extension: 8023
email: Robert.della-sala@watford.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

APPENDICES

1 Review of Revenue & Benefits 2014/15

1. Introduction

- 1.1 2014/15 was a challenging year due to a significant number of IT projects that needed to be implemented for revenues and benefits through the year. In addition, there was significant staff turnover (11/64) resulting from improved management of staff and performance monitoring.
- 1.2 All the vacancies were filled during the year with a mixture of “inexperienced” and “experienced” staff. This meant that as well as providing training and support for the existing staff, a lot of time and resources were also spent on bringing new staff on and up to speed with WBC processes.
- 1.3 The third challenge through the year, was to review work practices across all areas of the business and to deal with underlying and structural failures in the service, which have constrained progress over the last few years.

2. Headlines performance stats

- 2.1 The volume of work outstanding on both revenues and benefits have been stabilised and decreased by over 50% through the year. At the same time, work on “maintenance” of accounts, reviews etc, has been re-introduced as “business as usual”. More effort has been targeted at reducing processing delays, which then reduces complaints, appeals, phone calls and unnecessary customer contact.
- 2.2 In all four key performance areas shown in the tables below, the service met its’ target for the year. The in-year collection rates for both council tax and business rates being the best for over 6 years.

WATFORD	Target	Year
Council Tax collection	95.5%	96.20%
Business rates Collection	97.3%	97.70%

2.3

Revenues

- 2.4 Within the Hertfordshire benchmarking group, Watford went from 13th highest council tax collection to 8th in 2014/5. For Business Rates the ranking improved from 10th to 6th highest

2.5 Housing Benefit

- 2.6 The number of new claims that were processed has been falling steadily over the last 3 years as shown below, however the make-up of the caseload has become more complex with more people claiming whilst working part time :

WATFORD	Total	Average per month
Total new claims 2012/13	2,404	200
Total new claims 2013/14	2,452	204
Total new claims 2014/15	2,065	172

- 2.7 The number of changes in circumstances that have been processed has significantly increased for the same period, as the backlogs have been cleared and reviews and other intervention work is being undertaken. This has included the introduction of new data-matching exercises with HM Revenues and Customs which began in October 2014.

WATFORD	Total	Average per month
Total changes 2012/13	10,345	862
Total changes 2013/14	18,234	1,520
Total changes 2014/15	20,416	1,701

- 2.8 The table below shows the annual performance for processing new claims and changes in circumstances :

WATFORD	Target	Year
Housing Benefit New claims processing times	22 days	18.64 days
Housing Benefit Change of Circumstances processing times	15 days	13.66 days

3.0 Other Improvements

- 3.1 There have been substantial other improvements made to the service that all contribute to the improved performance and these include :

- All staff having an appraisal and set clear work objectives linked to the service plan
- Updating all forms, leaflets and letter templates to make them clearer and simpler to understand
- Prioritising work that creates customer contact – refunds, deaths and moves and changes
- Getting Academy reports to work
- Redesigning the benefit claim form
- Updating the website with information and leaflets
- Introducing refunds for council tax, twice weekly
- Having weekly performance dashboards for all service areas
- Liaison meetings with the CAB, WCHT and Housing
- Introducing wall boards to manage customer phone contact

4.0 Building on the progress made to date

4.1 Whilst substantial progress has been made to stabilise the service, fix the underlying system issues and re-engineer processes, the 2015/16 financial year will remain equally challenging. Welfare reform is likely to have an impact on the department due to

- Reducing the benefit cap from £26,000 to £23,000 per year
- Roll out of Universal Credit in November 2015 in Watford

4.2 In addition, we have identified a number of distinct IT projects including that will require implementation including :

- re-launch of self service for customers and landlord
- “trusted third party access” for the CAB
- on line benefits claim form (BECS)
- Academy planning module for Inspectors
- AUDDIS for automated direct debits
- Upgrade to Anite Document Management System
- VOA interface / integration

4.3 The service is extremely reliant on IT to not only manage and process claims, but for managing the paperwork. In order to deliver our aims and objectives for 2015/16 we have identified the following other challenges :

- IT upgrades and hardware road map modernisation agenda
- Stable IT platform
- Government legislative changes
- Economic environment and caseload profile changes
- Effective management of staff and staff performance
- Introduction of a Business Improvement District in WBC

Report to: Audit Committee

Date of meeting: 30 June 2015

Report of: Acting Head of Finance Shared Services

Title: Internal Audit Progress Report

1.0 **SUMMARY**

1.1 This report gives details of the progress made in implementing the recommendations of the internal auditor.

2.0 **RECOMMENDATIONS**

2.1 Note the Internal Audit Progress Report Against the 2014/15 Audit Plan

2.2 Approve amendments to the Audit Plan as at June 2015

2.3 Agree removal of implemented recommendations (see Appendix 4)

2.4 Agree the changes to the implementation date for 19 recommendations (paragraph 2.6) for the reasons set out in Appendix 4.

Contact Officer:

For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
Telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

3.0 **DETAILS**

- 3.1 The Shared Internal Audit Service (SIAS) latest Progress Report is attached at Appendix 1.
- 3.2 Details of progress against the Internal Audit Plans for 2014/15 are attached at Appendix 2. Appendix 3 shows the proposed start dates of the 2015/16 audit plan.
- 3.3 Appendix 4 provides information on recommendations which remain outstanding from audits carried out in 2010/11, 2011/12, 2012/13, 2013/14 and 2014/15 and detail only those recommendations which were not resolved at the time of the last report together with new audit reports issued since that time. New reports and new comments are shown in bold.
- 3.4 The table below summarises progress in implementation of the recommendations:

Year	Recommendations made.	Implemented	Not yet due	Outstanding & Request made for Extended Time	Percentage implemented %
2010/11	213	212	1	0	99
2011/12	114	111	0	3	97
2012/13	49	47	1	1	96
2013/14	93	83	3	7	89
2014/15	51	36	5	10	71

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 None Specific.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 None Specific.

4.3 **Equalities**

4.3.1 None Specific.

4.4 **Potential Risks**

4.4.1 There are no risks associated with the decisions members are being asked to make.

APPENDICES

Appendix 1	Shared Internal Audit Service Progress Report
Appendix 2	Progress against the Audit Plan
Appendix 3	2015/16 Audit Plan - projected start dates
Appendix 4	Progress on Recommendations



Watford Borough Council
Audit Committee Progress Report
30 June 2015

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 5 June 2015
- Approve amendments to the Audit Plan as at 5 June 2015
- Agree removal of implemented recommendations (see Appendix C)
- Agree the changes to the implementation date for 19 recommendations (paragraph 2.6) for the reasons set out in Appendix C.

Contents

1 Introduction and Background

1.1 Purpose

1.2 Background

2 Audit Plan Update

2.1 Delivery of Audit Plan and Key Audit Findings

2.3 Status of Audit Recommendations

2.7 Proposed Audit Plan amendments

2.8 Performance Management

Appendices

A Progress against the 2015/16 Audit Plan

B 2015/16 Audit Plan Projected Start Dates

C Progress against Outstanding Internal Audit Recommendations

1. Introduction and Background

Purpose of Report

- 1.1 This report details:
- a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's Annual Audit Plan for 2014/15 as at 5 June 2015.
 - b) Proposed amendments to the approved 2015/16 Annual Audit Plan.
 - c) Implementation status of all outstanding previously agreed audit recommendations from 2010/11 onwards.
 - d) An update on performance management information as at 5 June 2015.

Background

- 1.2 The work of internal audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.
- 1.3 The 2014/15 Annual Audit Plan was approved by Audit Committee on 11 March 2015.
- 1.4 The Audit Committee receives periodic updates on progress against the Annual Audit Plan from SIAS, the most recent of which was brought to this Committee on 11 March 2015.

2. Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

- 2.1 As at 5 June 2015, 12% of the 2015/16 Audit Plan days had been delivered for the combined WBC and Shared Services plans (calculation excludes contingency). Appendix A provides a status update on each individual deliverable within the audit plan.
- 2.2 Thirteen audits providing assurance to the Audit Committee have been finalised since the March meeting of this Committee.

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Payroll (shared plan)	Mar '15	Full	One merits attention
Contract Payments	Mar '15	Substantial	Two medium
Budget Monitoring	Mar '15	Full	None
Community Grants	Mar '15	Full	None
Creditors (shared plan)	Apr '15	Full	None
Main Accounting CRSA Yr1 (shared plan)	Apr '15	Substantial	None
Corporate Governance	Apr '15	Full	None
Risk Management	Apr '15	Full	None
Use of Consultants	Apr '15	Substantial	Two merits attention
Benefits (shared plan)	Apr '15	Substantial	Four medium Two merits attention
Asset Management	Apr '15	Substantial	One medium Two merits attention
IT Disaster Recovery	Jun '15	Moderate	Two high One medium
IT Operations and	Jun '15	<u>Councils</u>	Two high

Contract Management		Substantial <u>Capita</u> Limited	One medium
---------------------	--	---	------------

All of the above are 2014/15 reports and represents closure of that year's plan. No 2015/16 reports have been finalised.

Status of Audit Recommendations

2.3 Members will be aware that a Final Audit Report is issued when it has been agreed by management and includes an agreement to implement the recommendations made. It is SIAS's responsibility to bring to Members' attention the implementation status of all audit recommendations. It is the responsibility of officers to implement recommendations by the agreed date.

2.4 The table below summarises progress in implementation of all outstanding internal audit recommendations at May 2015, with full details given in Appendix C:

Year	Recommendations made No.	Implemented	Not yet due	Outstanding & request made for extended time**	Percentage implemented %
2010/11	213	212	1	0	99%
2011/12	114	111	0	3	97%
2012/13	49	47	1	1	96%
2013/14	93	83	3	7	89%
2014/15	51	36	5	10	71%
2015/16	0	-	-	-	-

2.5 Extension to implementation dates have been requested for 14 recommendations as follows:

- a) One for IT Project Management,
- b) One for Counter Fraud Arrangements in the Shared Service Benefit Fraud Team,
- c) Two for Health & Safety,
- d) One for SLM & HQ Theatres,
- e) Two for Debtors,
- f) Three for IT Change Management,

- g) Two for NDR,
- h) Two for Benefits.

For a further 5 recommendations, no revised implementation date has been given by management although the latest date has now passed. These are marked as 'TBC' in the 'revised deadline' column of Appendix C and relate to the following audits:

** In the case of two outstanding recommendations from the Housing Redesign audit, no updates were received, although the latest deadline date (December 2014) has elapsed. No updates were received for the March 2015 Committee report. This accounts for the difference of 2 between the number of recommendations itemised above (19) and the total number in the 'Outstanding and request made for extended time' column in the table at 2.4 (21).

Proposed Audit Plan Amendments

- 2.6 The full carry over budgets for completion of 2014/15 projects have not been used and as a result, one day from the WBC plan and three days from the Shared Services plan have been returned to contingency for use in 2015/16.

Performance Management

Reporting of Audit Plan Delivery Progress

- 2.7 To help the Committee assess the current situation in terms of progress against the projects in the 2015/16 Audit Plan we have for the first time, provided at Appendix B an analysis of agreed start dates. These dates have been agreed with management and resources allocated accordingly. This is designed to facilitate smoother delivery of the audit plan through the year. An updated view will be brought to each meeting of Audit Committee.
- 2.8 Annual performance indicators and associated targets were approved by the SIAS Board on 11 March 2015. Actual performance for Watford Borough Council against the targets that can be monitored for 2015/16 is shown the table below.

Performance Indicator	Annual Target	Profiled Target to 5 June 2015	Actual to 5 June 2015
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excluding unused contingency)	95%	12%	12%
2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects (excludes 2013/14 completion and ‘on-going’ pieces)	95%	4% (1 out of 24 projects to draft)	0% (no projects to draft)
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at ‘satisfactory’ level	100%	100%	None yet finalised
4. Number of High Priority Audit Recommendations agreed	95%	95%	None made

2.9 In addition, the performance targets listed below are annual in nature. Performance against these targets will be reported on in the 2015/16 Head of Assurance’s Annual Report:

- **5. External Auditors’ Satisfaction** – the Annual Audit Letter should formally record whether or not the External Auditors are able to rely upon the range and the quality of SIAS’ work.
- **6. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee. If there is no March meeting then the plan should be prepared for the first meeting of the civic year.

- **7. Head of Assurance's Annual Report** – presented at the Audit Committee's first meeting of the civic year.

2015/16 SIAS Audit Plan

Page 65

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Key Financial Systems								
Benefits (shared plan)					14		1.5	System parameters tested May 2015. Audit planned for Q3
Council Tax (shared plan)					11		0	Planned for Q3
Creditors (shared plan)					9		0	Planned for Q4
Debtors (shared plan)					10		0	Planned for Q3
Main Accounting CRSA Yr2 (shared plan)					10		0	Planned for Q4
NDR (shared plan)					11		1.5	System parameters tested May 2015. Audit planned for Q3
Payroll including payroll contract (shared plan)					15		0	Planned for Q3
Treasury Management CRSA Yr2 (shared plan)					8		0	Planned for Q3
Budget Monitoring (shared plan)					8		0	Planned for Q4
Operational Audits								
Asset Management					10		0	Planned for Q2

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Building Control					7		0.5	In planning
Business Continuity & Emergency Planning					12		0	Planned for Q3
Data Protection					6		0	Planned for Q2
Development Control					6		1	In planning
Homelessness					10		0	Planned for Q4
Recruitment (shared plan)					10		2.5	Terms of Reference issued – fieldwork to start in September
Safeguarding					12		7	In fieldwork
Procurement								
Contract Management					10		0	Planned for Q3
Capital Projects and Project Management					12		0	Planned for Q2
Counter Fraud								
Review of counter-fraud arrangements (shared plan)					5		0	Planned for Q4
Risk Management and Governance								
No audits planned for 2015/16								

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
IT Audits								
IT Managed Service Delivery (shared plan)					12		0	Planned for Q2
IT Contract Management (shared plan)					15		0	Planned for Q3
IT Disaster Recovery Extended Follow –Up (shared plan)					8		0	Planned for Q4
SIAS Joint Work								
Shared Learning Newsletters and Summary Themed Reports					2		0.5	On-going
Audit Committee Workshop					1		0	Planned for Q3
Risk Management Benchmarking Workshop					2		0	Planned for Q3
Ad Hoc Advice								
Ad Hoc Advice					3		0	On-going
Contingency								
Unused Contingency (13 days shared plan; 1 day					14		0	When required

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
WBC)								
Strategic Support								
Head of Internal Audit Opinion 2014/15					2		2	Complete
External Audit Liaison					1		0.5	On-going
Audit Committee					10		2	On-going
Monitoring & Client Liaison					12		2	On-going
2016/17 Audit Planning					8		0	Planned for Q3/4
SIAS Development					3		3	On-going
Follow-up of recommendations					10		2	On-going
Completion of 2014/15 audits								
Time required to complete work commenced in 2014/15 (5 days shared; 4 days WBC)					9		9	Complete
WBC TOTAL					144		24.5	
SHARED SERVICES TOTAL					164		10.5	
COMBINED TOTAL					308		35	

Key to recommendation priority levels:

H = High

M = Medium

MA = Merits attention

N/A = Not applicable

Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Safeguarding			Data Protection	Asset Management	Capital Projects and Project Management	Business Continuity and Emergency Planning	Building Control	Risk Mgmt (Joint Review)	Creditors (shared plan)	Main Accounting (shared plan)	
Revenues & Benefits System Parameter Testing (shared plan)*			IT Managed Service Delivery (shared plan)	Recruitment (shared plan)*		Council Tax (shared plan)	Benefits (shared plan)	NDR (shared plan)	Budget Monitoring (shared plan)	Review of Counter-Fraud Arrangements (shared plan)	
			Development Control			Debtors (shared plan)	Payroll inc contract (shared plan)	Treasury Mgmt (shared plan)	IT Disaster Recovery Extended Follow Up (shared plan)		
							IT Contract Mgmt (shared plan)		Homelessness		
							Contract Management				

*** Notes:**

- Revenues & Benefits System Parameter Testing work completed in May – remainder of Benefits, NDR and Council Tax audits to be completed in Q3.
- Recruitment audit moved back from June to late August / September at request of Head of HR. Audit scoped and terms of reference issued in April.

Audit Plan 2010/11

IT Remote Working 2010/11							
Final report issued January 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
09	<p>Management should ensure that security settings on mobile device handsets such as iPhones enforce the following settings:</p> <ul style="list-style-type: none"> • Devices should be required to be protected by a power on password or PIN. Any default passwords or PIN codes need to be changed on first use, these should not be removed unless authorised in writing by ICT; • Devices should be set to 'Non-discoverable' or 'Hidden' to help prevent information disclosure by short distance data transfer; and • Users should be restricted from reconfiguring the security settings on devices. <p>The remote wipe solution should be investigated to ensure all the data stored on the mobile phone can be wiped either remotely or by exceeding the login threshold. Management should ensure that only ICT approved mobile devices should be procured and issued and all confidential and</p>	Important	<p>Agreed. Government Code of Connection stipulates that they have only approved Blackberry's for use as mobile devices. There are currently more critical priorities to address within ICT and this is where the focus will lie.</p> <p>The implementation of a Blackberry Enterprise Server will address the above recommendation and will be identified as a future project for the ICT Service.</p> <p>Position - August 2012 Due to the large resource and investment required with this, it will be assigned a priority once the future of the ICT Shared Service is known.</p> <p>Position - November 2012 The councils are currently conducting due diligence with the preferred supplier for the ICT Service. Outstanding audit recommendations will be discussed during due diligence and reported to the next Audit committee meeting.</p> <p>Position - January 2013 Mobile telephony is outside the proposal. Implementation of a Blackberry solution which can provide all of these requirements has been included as part of 13/14 project requirement and will be discussed during transformation.</p>	ICT Client Manager	March 2013	x	<p>March 2014</p> <p>Dec 2015 (Not yet due)</p>

IT Remote Working 2010/11							
Final report issued January 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
	sensitive data held on mobile device handsets such as iPhones is adequately encrypted according to the sensitivity of the data		<p>Position - May 2013 No change from above.</p> <p>Position - August 2013 Recommendation not yet due for completion. It should be noted that the PSN compliance requirements will impact the solution to this recommendation.</p> <p>Position - November 2013 No change to above. This needs to be prioritised in line with other ICT projects. Government directive for PSN (Public Services Network), now states that unmanaged end user devices e.g. personal computers etc, should be addressed and compliant for use on the PSN by 2015 accreditation. A revised timeframe for implementation of this recommendation needs to be agreed.</p> <p>Position – February 2014 Already requested that this deadline is moved to Dec 2015, in line with PSN requirements to manage data on mobile devices.</p> <p>Position – May 2014 Recommendation not yet due for implementation.</p> <p>Position – August 2014 Not yet due</p> <p>Position – October 2014 Not yet due</p>				

IT Remote Working 2010/11							
Final report issued January 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
			Position – February 2015 Not yet due				
			Position – May 2015 Not yet due				

Audit Plan 2011/12

IT Project Management 2011/12							
Final report issued November 2011							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	An IT Strategy that supports both Councils' corporate strategies needs to be implemented to direct the forward usage of ICT within both Councils and the Shared Service. An IT strategy should be developed in consultation with the business strategies for both Councils and the Shared Service to ensure that IT development links into corporate priorities.	Minor	<p>Agreed</p> <p>Position - August 2012 This has not progressed due to resource constraints caused by work on the ICT Outsourcing</p> <p>Position - November 2012 The councils are currently conducting due diligence with the preferred supplier for the ICT Service. The decision to outsource will have a large impact on the strategy.</p> <p>Position - January 2013 Capita can help with advice on this but the responsibility for this lies with the ICT Client Manager roles which are currently being advertised at both councils.</p> <p>Position - May 2013 ICT Client Managers have now been appointed. Due to the high workload during transition to Capita the revised deadline has been amended.</p> <p>Position - August 2013 No change to above. Terms of reference for the IT Steering group have been amended to reflect the requirement for the development of an ICT strategy.</p>	ICT Client Manager	October 2012	*	Mar 2013 May 2013 Sept 2013 May 2014 Sept 2014 Feb 2015 June 2015 Dec 2015

IT Project Management 2011/12							
Final report issued November 2011							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>Position - November 2013 Technical strategy is underway. ICT Client management team are working with Capita SIS to develop an approach to the overall ICT strategy in parallel to this.</p> <p>Position – February 2014 No change.</p> <p>Position – May 2014 Underway. Terms of Reference have been agreed with the Council. Officers involved with interviews have been briefed and all interviews have been scheduled. Interviews span from mid-June to end of July and report is expected for review by end of August 2014.</p> <p>Position – August 2014 On track. Report to be completed by end of September.</p> <p>Position - October 2014 IT Strategy Report Completed. Requires sign off and agreed way forward from both Councils.</p> <p>Position – February 2015 IT Strategy Report Completed. Requires sign off and agreed way forward from both Councils. Revision of dates will fall in line with budget setting for Sept 2015.</p> <p>Position – May 2015 This has been delayed due to Officer resource required on both remediation and ModerniseIT.</p>				

IT Back up and Disaster Recovery 2011/12							
Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	The Shared Service should conduct a risk assessment of the capability to recover key systems and services in the event of a disaster based on the Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) for Councils' systems. This should ensure that any potential issues that could be faced are documented with appropriate counter measures put in place.	Essential	<p>Agreed</p> <p>Position - January 2013 This work will be undertaken by Capita during transition and transformation.</p> <p>Position - May 2013 As above, Capita will propose a full disaster recovery plan, post data-centre move (scheduled for Q4 2013).</p> <p>Position - August 2013 No change from May update. It should be noted that as part of the contract Capita will work with the Councils to define and implement a back-up strategy and policy. This includes working with business services to define appropriate frequency of backups with RPO's where appropriate of 30 minutes. Data centre move design has commenced and a risk assessment will be included within this planning.</p> <p>Position - November 2013 Disaster recovery scoping meeting has taken place. Disaster recovery plan has been included within the Data Centre Migration PID (Project Initiation Document) as a deliverable.</p> <p>Position – February 2014 This is being progressed through the data centre migration project. There is a backup workstream within this project which is currently assessing all backups. Note the</p>	ICT Client Manager	May 2013	* (In progress)	Dec 2013 May 2014 Sept 2014 Oct 2014 Feb 2015 TBC

IT Back up and Disaster Recovery 2011/12							
Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>revised data centre migration is end of June 2014. This allows for critical Council business, year end, elections, and IER go live and was agreed at 10th Dec – ITSG.</p> <p>Position – May 2014 In progress. Backup solution architect is currently assessing ability to recover. This is all feeding into the data centre migration project. IER dates have changed to mid-end of June and the data centre migration move will be adjusted to accommodate that.</p> <p>Position – August 2014 Revised backup solutions documented and are currently being costed by Capita ready for implementation in line with the data centre migration. Backup solution implementation target was mid Sept, and has been revised to end of Oct 2014.</p> <p>Position - October 2014 As above. DC move timeframe extended to migrate services/hardware from mid Dec 2014 to end of Jan 2015.</p> <p>Position – February 2015 DC Migration delayed indefinitely. DR planning moved to Account Recovery works.</p> <p>Position – February 2015 DR audit completed, DR test plan and DR plan drafted. Dependencies to complete this fully relate to ModIT and remediation and therefore the timeframe needs to be confirmed.</p>				

IT Back up and Disaster Recovery 2011/12							
Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
04	The Shared Service should test its DR arrangements on an annual basis at both Adam Continuity and ICM. Testing should follow a detailed test plan and test results should be reported to management following the test period. We also recommend that where appropriate, ad hoc tests of tape restores are performed when not otherwise tested.	Essential	<p>Agreed</p> <p>Position - January 2013 A DR test is being planned before the service is transferred to Capita are expected to continue this into the future.</p> <p>Position - May 2013 Due to extensive workload in the run-up to service commencement, a “dry run” of the existing Disaster Plan has not been carried out. However, existing arrangements with both of our continuity providers have been amended and re-signed for a period of one year. Before the expiry of these agreements, Capita will have their own Disaster Plan in place (post data centre move).</p> <p>Position - August 2013 Data centre move design planning has commenced. It has been agreed that revised BC/DR plans will be created in parallel with the data centre move itself. As part of the Capita contract Councils can ask for ad-hoc restores of random files to verify effective backups. This quality check is the responsibility of ICT client managers and is an aspect of monthly service delivery meetings.</p> <p>Position - November 2013 DR contract vendor has been contacted to arrange a DR test post data centre migration. This will be arranged to take place before April 2014.</p>	ICT Client Manager	March 2013	* (part resolved)	Dec 2013 Apr 2014 June 2014 Dec 2014 Feb 2015 TBC

IT Back up and Disaster Recovery 2011/12							
Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>Position – February 2014 In progress. Engagement with existing DR vendors has taken place, as well as a review of service continuity plans. DR test will take place prior to the data centre move at the end of June 2014.</p> <p>Position – May 2014 In progress. DR test to be scheduled in line with data centre migration plans.</p> <p>Position – August 2014 Data Centre Migration scope has expanded to include additional works to de-risk “Lift and shift” of W3R equipment. For example where there is aged equipment e.g. file and print server for Watford, this data will be transferred to the new SAN (Storage Area Network) prior to the move itself. This has therefore contributed to the movement of the Data Centre migration deadlines.</p> <p>Position - October 2014 As above. DC move timeframe extended to migrate services/hardware from mid Dec 2014 to end of Jan 2015.</p> <p>Position – February 2015 DC Migration delayed indefinitely. DR planning moved to Account Recovery works.</p> <p>Position – May 2015 DR audit completed, DR test plan and DR plan drafted. Equipment lists for both Councils have been updated for both Phoenix and ADAM R contracts. Dependencies to complete this relate to</p>				

IT Back up and Disaster Recovery 2011/12							
Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			ModIT and remediation and therefore the timeframe needs to be confirmed.				

Audit Plan 2012/13

IT Server Virtualisation (ICT) 2012/13							
Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	The adequacy of the security settings and management arrangements established and applied to the virtual environment at both the Councils should be reviewed and where the standards currently are not aligned with best practice standard such as recommended by CIS (Centre for Internet Security), then they should be applied/configured to create a baseline for on-going security and monitored accordingly.	Essential	<p>Agreed The Council is waiting for Capita to respond with their view on outstanding settings. They are planning to virtualise the remainder of servers and move them up to their own data centre within the first year of the contract, which should go live in May 2013.</p> <p>Position - January 2013 Capita will be moving all servers to their data Centre in Chippenham by December 2013 with new hardware and vmware installations. This recommendation will be incorporated into the design of this implementation.</p> <p>Position - May 2013 The above position has been endorsed and supported by the ICT Client Management Team.</p> <p>Position - August 2013 Data centre design has commenced. Within the design itself all vmware environments will be reviewed and aligned with best practice standards.</p> <p>Position - November 2013 In progress</p> <p>Position – February 2014 VMWare design document completed and signed off. This doc includes a review of all</p>	ICT Client Manager	November 2013	* (part resolved)	<p>Dec 2013</p> <p>May 2014</p> <p>Sept 2014</p> <p>Nov 2014</p> <p>Feb 2015</p> <p>TBC</p>

IT Server Virtualisation (ICT) 2012/13							
Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>current virtual servers. Awaiting implementation in line with data centre migration.</p> <p>Position – May 2014 Servers currently being re-configured in line with design documentation. This is a prerequisite for the data centre migration. E.g. single fibre paths being replaced with dual fibre paths, thereby increasing resilience.</p> <p>Position – August 2014 This is progressing as per the update above. Data Centre Migration scope has expanded to include additional works to de-risk “Lift and shift” of W3R equipment.</p> <p>Position - October 2014 As above. DC move timeframe extended to migrate services/hardware from mid Dec 2014 to end of Jan 2015.</p> <p>Position – February 2015 No progress</p> <p>Position – May 2015 No progress. IT is under review, revised timescales will be communicated at the next audit committee.</p>				

Risk Management 2012/13							
Final report issued May 2013							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
5.3.2	<p>There should be effective action plans in place to address significant risks identified in the Service Risk registers. The action plan may include for example the following areas :</p> <ul style="list-style-type: none"> - Detailed action to be taken, - Officer(s) responsible for taking action, - Timescales for implementing appropriate action. 	Important	<p>Agreed</p> <p>Position - May 2013 Not yet due.</p> <p>Position - August 2013 Head of Democracy and Governance just taken over lead responsibility for risk. Meeting of Risk Management Group scheduled early September 2013 to review risk registers.</p> <p>Position - November 2013 Progress on updating service risk registers and actions plans to be reviewed at meeting in November.</p> <p>Position – February 2014 Action plan template circulated to service heads for completion. Will be discussed at next Group meeting.</p> <p>Position – May 2014 In progress</p> <p>Position – August 2014 Action plans discussed at Group. Not yet implemented.</p> <p>Position – November 2014 Not yet due</p> <p>Position – February 2015 We have not yet developed action plans this</p>	Head of Democracy & Governance	30 th June 2013	x	<p>31 Oct 2013</p> <p>Feb 2014 for Service risk registers and action plans to be updated</p> <p>Sept 2014</p> <p>Mar 2015</p> <p>Sept 2015 (Not yet due)</p>

Risk Management 2012/13							
Final report issued May 2013							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			will need to be deferred to September 2015. Position – May 2015 Not yet due				

Audit Plan 2013/14

Housing Redesign 2013/14							
Final report issued December 2013							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
04	The Council should ensure, for those Housing Associations which carry out their own short-listing of applicants that they comply with the Council's good practices.	Medium	<p>Position – November 2013 Not yet due</p> <p>Position – February 2014 Taken to Herts Choice Homes (HCH) Operational Group in January 2014. Agreed that amendments need to be made to service level agreements and a training session held for registered providers. To be taken forward by HCH Co-ordinator who is based at Three Rivers District Council.</p> <p>Position – May 2014 28 July 2014 will be a workshop with Registered Providers and the local authorities to ensure shared understanding of roles in relation to redrafted SLAs.</p> <p>Position – August 2014 Workshop has taken place and partners have proposed options regarding the Herts Choice Homes Service Level agreements which set out how much of the shortlisting process is carried out by registered providers. Good practice regarding verification of applicants to be circulated for partner consideration. Partners need to assess the resources required to carry out more or less of the shortlisting process and appropriate redrafting of SLAs and training will need to be undertaken.</p>	Housing Supply Manager	31 March 2014	*	<p>28 July 2014</p> <p>31 December 2014</p>

Housing Redesign 2013/14							
Final report issued December 2013							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
			Position – November 2014 Further workshop scheduled 17 November. Position – February 2015 No update received. Position – May 2015				
07	Housing assessments and short-listing systems should be fully documented at the earliest opportunity.	Medium	Position – November 2013 Not yet due Position – February 2014 Not yet due. Shortlisting process has been documented. Housing assessments work to be progressed in February 2014. Position – May 2014 Systems most sensibly to be documented as part of implementation of new Nomination Policy. Position – August 2014 Not yet due Position – November 2014 As above – processes in design phase as part of implementation (go live date now April 15). Position – February 2015 Not yet due Position – May 2015	Housing Supply Manager Housing Demand Manager	31 March 2014	x	November 2014 April 2015 (Not yet due)

Counter Fraud Arrangements in the Shared Service Benefit Fraud Team 2013/14							
Final report issued February 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	The Benefits Fraud Shared Service should produce an annual work plan outlining proactive work and resource allocation.	Merits Attention	<p>Agree to the principle providing we maintain the ability to flex given fraud referrals/risks are not provided in advance indicating where exact resources should be made available.</p> <p>A review of current risk assessments would be required in order to allow the allocation of a plan of proactive work. Proposals and timetable to be agreed with Director of Finance. Target date set is to agree proposals.</p> <p>Position – May 2014 Not yet due</p> <p>Position – August 2014 The fraud service with Sfis scheduled for 2015 has lost 2 members of staff. It is currently exploring options. Until this position is agreed no changes are appropriate as it would take resources away from reactive referrals. Matter to be agreed by Jo Wagstaffe.</p> <p>Position – October 2014 Not yet due</p> <p>Position – February 2015 The position remains the same. Whilst we have a significant reduction in staff we cannot allocate resources to additional proactive work. This will change in Dec 2015 when some HB transfers to SFIS.</p> <p>Position – May 2015 The position remains the same as in February 2015. We have meetings</p>	Fraud Manager	1 June 2014	*	Dec 14 Dec 15

Counter Fraud Arrangements in the Shared Service Benefit Fraud Team 2013/14							
Final report issued February 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
			scheduled in June to discuss post SFIS and the allocation of work will be discussed and agreed.				
02	<p>Going forwards in 2014/15 the Benefits Fraud Shared Service should consider undertaking a proactive intervention exercise to identify and investigate relief claims and empty properties.</p> <p>This should be considered in the context of the financial incentive introduced by the business rates retention scheme.</p>	Medium	<p>Agreed. Target date is to agree proposals for training. This is an area not previously investigated and is highlighted as a major risk by the Audit Commission report 2013.</p> <p>Position – May 2014 Not yet due</p> <p>Position – August 2014 The fraud service with Sfis scheduled for 2015 has lost 2 members of staff. It is currently exploring options including exercises appropriate to identify empty properties and NDR avoidance. Until this position is agreed no changes are appropriate as it would take resources away from reactive referrals. Matter to be agreed by Jo Wagstaffe.</p> <p>Position – October 2014 Not yet due</p> <p>Position – February 2015 The position remains the same. Whilst we have a significant reduction in staff we cannot allocate resources to additional proactive work. This will change in Dec 2015 when some HB transfers to SFIS. Some reactive enquiries are ongoing however.</p> <p>Position – May 2015 The position remains the same as in February 2015. We have meetings</p>	Fraud Manager	1 June 2014	x	Dec 14 Dec 15

Counter Fraud Arrangements in the Shared Service Benefit Fraud Team 2013/14							
Final report issued February 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			scheduled in June to discuss post SFIS and the allocation of work will be discussed and agreed. Some reactive work however has been completed in this area.				
03	The Benefits Fraud Shared Service should consider undertaking a proactive intervention exercise to investigate Single Person Discount cases.	Merits Attention	<p>Agreed. Target date is to agree proposals as above.</p> <p>Previously only facilitated data matching. Managing whole process may provide resources to be able to accurately determine discounts allocated.</p> <p>Position – May 2014 Not yet due</p> <p>Position – August 2014 We have data from NFI to explore with Revs and Bens – this is proactive in addition to matching that takes place with County. It is yet to be assessed.</p> <p>Position – October 2014 Not yet due.</p> <p>Position – February 2015 SPD data should be received back from exercise in March 2015.</p> <p>Position – May 2015 The position remains the same as in February 2015. We have meetings scheduled in June to discuss post SFIS and the allocation of work will be discussed and agreed. NFI outcome are being referred now for enquiries.</p>	Fraud Manager	1 June 2014	*	Dec 14 Apr 15 Dec 15

Council Tax 2013/14							
Final report issued April 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
04	Disabled discounts, exemptions and empty properties should be reviewed as a whole for both WBC and TRDC to ensure that the system is cleared of any obsolete data.	Medium	<p>Agreed. We are going to work out a programme of reviews for this year. Because of the backlog this has not previously been possible.</p> <p>A plan will be in place by the end of May 2014 to undertake a rolling review throughout 2014/15.</p> <p>Position – May 2014 Not yet due</p> <p>Position – August 2014 Not yet due</p> <p>Position – October 2014 We have completed the full SPD Review with Datank (as at 30/9) and have now also started a review of Disabled discounts and student exemptions. The system is being cleansed so that we have review dates for all discount types going forward with no open ended awards.</p> <p>Position – February 2015 Not yet due</p> <p>Position – May 2015 Completed and rolling reviews started.</p>	Robert Della-Sala, Head of Revenues and Benefits	In year and completed by 31 March 2015	✓	
09	Differences within the reconciled Direct Debit amounts should be detected and rectified promptly.	Medium	<p>Agreed. Income on the Academy system matches, but there are errors within the spreadsheet, which are giving wrong results. A lot of staff resources are spent trying to find</p>	Robert Della-Sala, Head of Revenues and Benefits	30 September 2014	✓	31 March 2015 (Not yet)

Council Tax 2013/14							
Final report issued April 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			the errors. When the processes are reviewed, the spreadsheet will be discontinued and the balancing module on the Academy system will be used to carry out income reconciliations. Position – May 2014 Not yet due Position – August 2014 Not yet due Position – October 2014 In progress Position – February 2015 In progress Position – May 2015 Completed and spreadsheet discontinued.				due)

Main Accounting 2013/14							
Final report issued April 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	Access rights of general users to e-Financials / general ledger, as well as those with enhanced administrator rights, should be reviewed on a regular basis, e.g. annually.	Medium	Not considered a significant risk. Only Finance staff are able to make changes to data / records. No new Finance staff set-up since the last reviews. A review of access rights will be undertaken.	Tracy Langley – Senior Finance Officer	30 September 2014	*	31 December 2014 30 June

Main Accounting 2013/14							
Final report issued April 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	This control procedure should be evidenced, either through an electronic audit trail on e-Fin, or confirmed by a senior officer for review purposes.		Position – May 2014 Not yet due Position – August 2014 Not yet done will be completed by End of December 2014 together with a review approval levels. Position – October 2014 Not yet due Position – February 2015 Not yet done –Due to year end revised deadline June 2015. Position – May 2015 Commenced but not completed.				2015 (Not yet due)

Debtors 2013/14							
Final report issued May 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	i) Remind staff of the need to follow up aged debt in accordance with Council policy. ii) Increase monitoring of aged debt categories to ensure that debts are being chased in	Medium	A root and branch review of this team is due to take place in Q1. The issue has been identified already and an aged debt analysis will be reported to Leadership / Management Board starting from 1 April 2014. This will include a review of bailiffs /	Robert Della-Sala, Head of Revenues and Benefits	30 September 2014	✓	31 March 2015 (Not yet due)

Debtors 2013/14							
Final report issued May 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	accordance with debt recovery procedures.		<p>committals and the re-introduction of bankruptcy action.</p> <p>It is expected that a bailiff module in Academy is to be turned on subject to ICT availability which will give better management information about debts with the bailiffs.</p> <p>Position – May 2014 Not yet due</p> <p>Position – August 2014 Aged debts are now being monitored on a monthly basis and reported to Leadership Board. Bailiff monitoring has just started. The bailiff module will not be implemented due to on-going IT problems.</p> <p>Position – October 2014 Bailiff module will go live by 31/12/14. All aged debts are now being monitored monthly. Work has started on liquidation/bankruptcy cases.</p> <p>Position – February 2015 A handful of cases have been referred to Legal and cases will shortly be passed to our new Bailiffs – Target date 28/02/15 awaiting Capita SQL guidance.</p> <p>Position – May 2015 Completed – new bailiff contract in place, as are new monitoring arrangements for all debts. Committals have also started as of Jan 2015.</p>				

Debtors 2013/14							
Final report issued May 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
03	i) Explore the possibility of implementing system enforced segregation of duties between raising a credit notes and authorising them, for example an inbuilt workflow which does not release the credit note until authorised by a second individual. ii) As a deterrent and to improve accuracy consider obtaining authorisation from the individual or service who raised the initial request.	Medium	It is intended to introduce a QA process into Revenues during Q2. This will include 10% sampling of cases which will be documented. Position – May 2014 Not yet due Position – August 2014 Position – October 2014 Not yet due Position – February 2015 Still awaiting ANITE upgrade. Position – May 2015 Manual QWA process in place from Jan 2015 QA module will go-live in May 2015. Anite upgrade is now in test and should be in place in live by end of June.	Robert Della-Sala, Head of Revenues and Benefits	30 September 2014	✓	31 March 2015 (Not yet due)

Cyber Risk 2013/14							
Final report issued June 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
03	Management should ensure the data loss prevention policy is developed and published at the earliest. As part of this process, management should:	High	a) Encrypted media devices are in the process of being deployed, however the aged desktop estate restricts a technical ability to “use” to Council devices only. This requirement to restrict will be	Emma Tiernan – ICT Section Head	30 June 2015 (Not yet due)	*	TBC

Cyber Risk 2013/14							
Final report issued June 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	a) Consider all possible media for data loss and risk assess the various options.		<p>included within the “IT Improvement Roadmap”.</p> <p>Position – August 2014 a) Not Yet Due</p> <p>Position – October 2014 Part A - Not yet due. This is within scope of ModerniseIT.</p> <p>Position – February 2015 a) Still in progress – encrypted usb keys currently being deployed.</p> <p>Position – May 2015 IT is under review, revised timescales will be communicated at the next audit committee. There is a key dependency here related to the deployment of Windows 7 desktops which is within the ModIT programme.</p>				
09	There should be formal, scheduled review and testing of the Disaster Recovery Plan on a periodic basis.	Medium	<p>In progress. Agreed as an outcome and deliverable of the data centre migration.</p> <p>Position – August 2014 Not yet due</p> <p>Position – October 2014 Deadline revised in line with DC move.</p> <p>Position – February 2015 No progress – moved into recovery.</p> <p>Position – May 2015 DR audit completed, DR test plan and DR</p>	Emma Tiernan – ICT Section Head	31 December 2014	*	Feb 2015 June 2015 TBC

Cyber Risk 2013/14							
Final report issued June 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			plan drafted. Equipment lists for both Councils have been updated for both Phoenix and ADAM R contracts. Dependencies to complete this relate to ModIT and remediation and therefore the timeframe needs to be confirmed.				

Health Campus 2013/14							
Final report issued June 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
04	The Council should confirm and approve the project methodology to be used.	Medium	<p>Business Plans for the infrastructure and each development zone are being updated setting out milestones/target dates, risks and issues as well as financial monitoring information. Any issues on the critical path will be highlighted.</p> <p>These will be reviewed on an on-going basis at both Operational Board and Partnership Board meetings.</p> <p>Position – August 2014 Detailed business plans are being prepared and will shortly be issued in draft form.</p> <p>Position – November 2014 Not yet due</p>	Programme Manager	30 June 2014	✓	Dec 14 Mar 15

Health Campus 2013/14							
Final report issued June 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>Position – February 2015 The project has experienced delays due to cost pressure and value engineering is being undertaken on the project which has delayed matters by around 3 months. It is now anticipated that the infrastructure and the first phase of the development will be produced for approval in March 2015.</p> <p>Position – May 2015 Completed - updated Business Plans submitted for final review and implementation.</p>				
05	A detailed benefits realisation plan should be put in place at the earliest opportunity. This should be approved by the Partnership Board.	Medium	<p>Summary of discussion on 30 April:</p> <p>Management is confident that outputs are clear in the BAFO document and business plan. These relate to job creation and land remediation.</p> <p>Detailed plans for delivery are being developed which will specify success factors associated with delivery of benefits.</p> <p>Position – August 2014 This work is in hand and a full report is anticipated by Dec 2014.</p> <p>Position – November 2014 Not yet due</p> <p>Position – February 2015 The issue of benefits generated is directly linked to the production of the business plans mentioned above and similarly delayed to</p>	Programme Manager	30 June 2014	✓	Dec 14 Mar 15

Health Campus 2013/14							
Final report issued June 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
			<p>March 2015.</p> <p>Position – May 2015 Completed - updated Business Plans submitted for final review and implementation. Will be reviewed and updated on a six monthly basis going forward.</p>				
06	Resilience can be improved through assurance that effective knowledge management systems are in place and that project documentation is readily accessible by the appropriate officers.	Medium	<p>Summary of discussion on 30 April:</p> <p>Management are confident that there is resilience in this area with shared level of management team ownership / oversight of the project.</p> <p>Knowledge management arrangements will be reviewed.</p> <p>Since financial close of the agreement with Kier in June 2013, the methodology and key tasks for the projects are clearly set out in minutes of Operational and Partnership Board.</p> <p>As the scheme progress, the bespoke nature of the development and the knowledge is being dissipated widely amongst other senior staff.</p> <p>Position – August 2014 Once draft business plans are issued in the next 6 weeks they will further ensure that information and management systems are passed on as more people get involved in delivery stages.</p>	Programme Manager	31 March 2015 and on-going	✓	Jun 15

Health Campus 2013/14							
Final report issued June 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			Position – November 2014 Not yet due Position – February 2015 The resilience and knowledge transfer is being dissipated throughout the organisation for the early phases and this objective has been partially achieved. Further work however is required to fully achieve this goal which is anticipated in June 2015. Position – May 2015 Completed - as the project has updated business plans for each development zone the project is getting less bespoke.				

Health & Safety 2013/14							
Final report issued July 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	Ensure that actions arising from risk assessments are centrally recorded, allocated an owner, and actively monitored to ensure that they are completed on a timely basis. Introduce supervisory review which acts to hold responsible officers to account regarding the completion of	High	Instruct suitably qualified contractor to execute environmental clean-up of key identified areas from the plan. Update asbestos management plan to record these works. Place on file and copy to site log. Position – August 2014 Not yet due	Ian Browne - Head of Facilities Management	30 September 2014	* (part met)	May 2015 Aug 2015

Health & Safety 2013/14							
Final report issued July 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	<p>risk assessment actions.</p> <p>Retain evidence of completion and sign-off centrally and on-site.</p>		<p>Position – November 2014 All accessible areas have been cleared from Town Hall and are now returned to use. Additional debris was discovered in risers during this process which has been scheduled in for removal May 2015 or once heating system has been turned off.</p> <p>Position – February 2015 Asbestos register has been completed with all known sources identified and recorded. Any actions also recorded against this document and the Policy & Management Plan have been updated in line with these actions.</p> <p>Outstanding actions form part of the ongoing management plan.</p> <p>Position – May 2015 Site inspection commenced on 28 May and Specialist contractor commenced identification of items scheduled for removal. Works to commence in conjunction with major boiler replacement works for efficiency and disruption minimising purposes. Works Commenced and due for completion to meet new restrictions by Aug 2015.</p>				
04	Those staff members responsible for the management of asbestos must be made fully aware, through asbestos awareness training, of the importance of issuing work permits, as well as completing asbestos logs, and their responsibility for doing so.	Medium	<p>Create contact register of responsible persons and provide responsible persons training for identified Buildings Managers and key personnel. Insert into Asbestos Management Plan.</p> <p>Arrange for refresher programme to be</p>	Ian Browne - Head of Facilities Management	31 March 2015 (Part completed - training regime being finalised and agreed with Supplier)	* Part met)	July 2015 to commence training programme

Health & Safety 2013/14								
Final report issued July 2014								
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline	
	<p>Access requested by, and granted to, sub-contractors should be centrally logged by Buildings Managers.</p> <p>Building Managers should ensure that inspections of those properties containing asbestos are carried out at least once a year, and that a central log is maintained detailing the date of the inspection and the inspection outcomes.</p> <p>On-going monitoring of Buildings Managers should take place through spot checks, which will ensure that where work has been carried out on these properties, the asbestos log is being completed for the buildings.</p>		<p>annualised.</p> <p>Deliver an annualised programme of asbestos inspections by independent Company to ensure risk management is robust and identification of material degradation is noted for appropriate action.</p> <p>Position – August 2014 Not yet due</p> <p>Position – November 2014 Responsible persons training module and management package is in draft for approval and subsequent roll out to meet deadline.</p> <p>Annualised Asbestos Inspections have been instructed through Appointed Compliance Contractor and will now take place as a matter of course.</p> <p>Position – February 2015 Responsible persons training module circulated for comment and feedback. Final version being prepared for release and implementation once Service Heads have approved staff involvement. This forms part of a wider programme of awareness training to cover all aspects of statutory building compliance.</p> <p>Position – May 2015 Training module has been sent to training provider who is now tasked with devising the final programme of activities. Building manager cascade taking place and</p>					

Health & Safety 2013/14 Final report issued July 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			awareness has therefore been raised. Final Date for commencement and completion required. Asbestos monitoring is now also regularised and on record for view in contractors database.				

Audit Plan 2014/15

SLM & HQ Theatres Contract Management 2014/15							
Final report issued July 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	Management should review the existing contract management procedures to ensure that these summarise the salient points from the contracts and provide a high level narrative on how the client team monitors the performance of each contractor in delivering agreed service levels and quality standards. It is good practice to include a version control on operating procedures in order to evidence review dates, and ensure that the documentation is reviewed at least on annual basis.	Merits Attention	<p>There is a guide to the leisure contract currently in place, however it requires updating and this will be actioned within the next quarter with a review mechanism in place.</p> <p>Position – August 2014 Not yet due</p> <p>Position – November 2014 This is underway and will be completed by the amended deadline.</p> <p>Position – February 2015 A contract 'lite' document is being developed and will be completed by the amended deadline.</p> <p>Position – May 2015 A contract 'lite' document has been developed and a copy forwarded to SLM.</p>	Prema Mani – Commissioning Manager	31 October 2014	✓	31 March 2015
03	For both contracts, management should consider maintaining a shared risk register. A good example would be the shared risk register for the contract with Veolia.	Merits Attention	<p>We are already looking at the Veolia joint risk register template and will raise this with SLM at our meeting on 28th August.</p> <p>Position – August 2014 Not yet due</p> <p>Position – November 2014 This is underway. Meeting with SLM in December to discuss and finalise. We will be</p>	Prema Mani – Commissioning Manager	31 October 2014	*	31 March 2015 30 June 2015

SLM & HQ Theatres Contract Management 2014/15							
Final report issued July 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>developing a joint risk register with HQ Theatres to be finalised by March 2015.</p> <p>Position – February 2015 Initial meeting with SLM – document being finalised anticipated this will be completed end of February and HQ Theatres will be completed by end of March 2015.</p> <p>Position – May 2015 SLM risk register in place. HQ Theatres risk register is in progress – anticipated to be completed by end of June 2015.</p>				
06	<p>Whilst noting that Quest is included on the agenda for the contract review meetings with SLM, management and SLM should consider developing a formal action plan to ensure that both leisure centres achieve Quest accreditation before the existing contracts expire.</p>	<p>Merits Attention</p>	<p>Watford Central have their Quest inspection early Oct 2014 but results will not be immediately known.</p> <p>Watford Woodside have been asked to inform us of the date of their Quest inspection.</p> <p>Position – August 2014 Not yet due</p> <p>Position – November 2014 Central achieved their QUEST accreditation in October. Woodside have now submitted their application for QUEST.</p> <p>Position – February 2015 Woodside have been advised that the assessment is likely to take place in May 2015. They will provide details of the exact dates when they receive this.</p> <p>Position – May 2015</p>	<p>Prema Mani – Commissioning Manager</p>	<p>31 March 2015</p>	<p>✓</p>	

SLM & HQ Theatres Contract Management 2014/15							
Final report issued July 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			Woodside QUEST assessment dates 3 rd and 4 th June 2015.				

NDR Anti-Avoidance Arrangements 2014/15							
Final report issued October 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>Consideration should be given to updating the Watford and Three Rivers Councils websites to include information on NDR avoidance that may deter the use of avoidance tactics.</p> <p>Typical wording could include:</p> <p>"If regular periods of short term occupation at a property exist we may need further verification of occupation before we can re-award the void exemption. This may involve a visit to the premises by one of our Officers. It is important that if you intend to occupy a property for a short period of time that you contact us immediately. If you are the landlord of a property and assign a short term lease it is advisable to forward a copy of the tenancy agreement to our office to verify your entitlement to any subsequent exemptions."</p>	Merits Attention	<p>Agreed – however will need IT assistance to update the web not just for this page but for all pages.</p> <p>Position - October 2014 Not yet due</p> <p>Position – February 2015 Ongoing, should meet 31/03/15 target date.</p> <p>Position – May 2015 Completed</p>	Head of Revenues & Benefits	31 March 2015 (Not yet due)	✓	

NDR Anti-Avoidance Arrangements 2014/15							
Final report issued October 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	The recommendation should be considered as part of an overall review of the Revenues Service webpages, which currently provide limited information on how the service operates.						

Council Tax 2014/15							
Final report issued December 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	Internal Audit testing identified two cases (one for each Council) where diary dates had not been entered on the Academy system for an empty property and a case where probate relief was granted. Although inspections do take place, there is no pro-active contact with other parties e.g. solicitors, to ensure the exemption remains applicable.	Medium	The new Revenues Manager who started on 1 September 2014 identified the area during September, 2014, and plans are now in action for all staff to adhere to same procedures including diarising accounts to follow up Executor details etc. Position – February 2015 Procedures prepared and awaiting correspondence within Academy once Annual Billing testing completed. Position – May 2015 Completed and being monitored by management checks.	Revenues Manager	With immediate effect	✓	31 March 2015
03	Revenues Officers should be entering provisional end dates for Student	Medium	The new Revenues Manager, who started on 1 September 2014, identified this area as a	Revenues Manager	31 December 2014	✓	31 March 2015

Council Tax 2014/15							
Final report issued December 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
	Exemptions. An exercise should be performed to check existing Student Exemptions cases to ensure that dates are in place. This review should be undertaken annually in future.		weakness and immediately ran a report, which staff are now working through on a monthly basis. This will be automated once the historic provisional end dates have been worked through. Position – February 2015 Procedures prepared and awaiting correspondence updated within Academy once Annual Billing testing completed. Position – May 2015 Management instructions issued and being checked.				
05	Formal confirmation following verbal notification of a death should be requested and followed-up. The next of kin or executor of the estate should be asked to provide written evidence or complete a 'death form'.	Merits Attention	Area identified prior to Audit review and procedures in place now to diarise and follow up next of kin details. Position – February 2015 Procedures prepared and awaiting correspondence updated within Academy once Annual Billing testing completed. Position - May 2015 New procedures now in place.	Revenues Manager	With immediate effect	✓	31 March 2015
06	Prior year suspense account entries should be reviewed, and where the payment cannot be linked with an account, the amounts written off.	Merits Attention	Revenues Manager has now spoken with Cash Office Team Leader who will be reviewing monthly. Position – February 2015 Cash Office Team Leader reviewing.	Revenues Manager	With immediate effect	✓	31 March 2015

Council Tax 2014/15							
Final report issued December 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			Position – May 2015 Completed				

Debtors 2014/15							
Final report issued December 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>The Council should explore the possibility of developing an authorisation function within e-Financials that will not allow the releasing of a credit note without appropriate authorisation from a second officer.</p> <p>Given that developments to the system may take some time to be implemented, in the interim a manual authorisation process should be introduced. A second officer should review and authorise all credit notes raised prior to being sent to the customers. Evidence, by way of a control sheet, should be retained to support the authorisation process.</p> <p>Part of the authorisation process should include a review of the evidence that supports the reason for the credit note. To aid the review, consideration should be given to</p>	Medium	<p>Head of Service and Revenues Manager are currently looking at staffing structure to streamline processes.</p> <p>Position – February 2015 Ongoing</p> <p>Position – May 2015 Ongoing</p>	Revenues Manager	31 March 2015	*	<p>31 May 2015</p> <p>30 Sep 2015</p>

Debtors 2014/15							
Final report issued December 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	allowing all services access to Anite.						
02	<p>Debts should be recovered in accordance with the Debt Recovery Policy.</p> <p>The Council should investigate the possibility of automating the process for issuing reminder letters through system upgrades.</p> <p>Additionally, it would be beneficial for the Council to produce the letters and undertake recovery action at the same time each week to ensure that all customers are contacted in accordance with the Debt Recovery Policy.</p>	High	<p>Head of Service and Revenues Manager are currently looking at staffing structure to streamline processes, however, weekly reminders should be run and Revenues Manager will look at structuring current Council Tax & Business Rates recovery timetable to include Sundry Debt recovery timetable.</p> <p>Position – February 2015 Ongoing</p> <p>Position – May 2015 Completed and part of BAU.</p>	Revenues Manager	31 January 2015	✓	31 May 2015
03	<p>We recommend that, initially, the Council undertake a process of reviewing all debts that have aged for more than 12 months. This process should include writing off debts as necessary and identifying where hold codes have been placed on debts.</p> <p>Upon completion of the above, we recommend that management consider using the aged debt report on periodic basis, perhaps monthly, to ensure that the appropriate recovery action has been taken for all debtors that have hold codes placed upon them. This will also allow management to identify where errors have been made that cause recovery</p>	High	<p>Revenues Manager now leading with Aged Debt Analysis report to be reviewed monthly with a view to targeting 3 – 6 months plus in arrears as a matter of course.</p> <p>Position – February 2015 Ongoing in sync with Recovery Team Leader.</p> <p>Position – May 2015 Completed and part of BAU.</p>	Revenues Manager	With immediate effect	✓	30 April 2015

Debtors 2014/15							
Final report issued December 2014							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	action to be suspended or terminated.						
04	<p>We recommend that consideration is given to including the unit cost within the invoice to allow an arithmetic check to be performed by a second officer.</p> <p>Unit costs may be in the form of, but not limited to, weekly rental amounts, hourly rates for hire or one off costs relating to services provided.</p>	Merits Attention	<p>Head of Service will be exploring further with S151 Officer due to Shared Services and review of processes.</p> <p>Position – February 2015 Ongoing</p> <p>Position – May 2015 Ongoing</p>	Revenues Manager	31 January 2015	*	<p>31 May 2015</p> <p>30 Sep 2015</p>

IT Change Management 2014/15							
Final report issued January 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	(a) We recommend that the completion and appropriate quality checking of all supporting documentation (technical, operational and user) by Capita is stated generally in the W3R Communication Plan (see (b) below) with specific Capita actions in this respect included in all Work Plans relating to W3R RFCs.	Medium	<p>Accepted</p> <p>Position – February 2015 Not due</p> <p>Position – May 2015 Completed. Communications plan updated.</p>	<p>ICT Client Section Head & Capita Account Director</p> <p>ICT Client</p>	<p>30 June 2015 (Not yet due)</p> <p>30 June 2015</p>	<p>✓</p> <p>*</p>	<p>Sep 15</p>

IT Change Management 2014/15							
Final report issued January 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	<p>(b) We recommend that a copy of the Communication Plan for W3R is obtained from Capita and is then reviewed jointly to confirm / revise the specified local variances to the generic Capita central CM processes.</p> <p>(c) We recommend that W3R is included by Capita at all stages of any revisions to the W3R Communication Plan.</p>	<p>Medium</p> <p>Merits Attention</p>	<p>Accepted</p> <p>Position – February 2015 Not due</p> <p>Position – May 2015</p> <p>Accepted</p> <p>Position – February 2015 Not due</p> <p>Position – May 2015</p>	<p>Section Head & Capita Account Director</p> <p>ICT Client Section Head & Capita Account Director</p>	<p>(Not yet due)</p> <p>30 June 2015 (Not yet due)</p>	<p>✓</p>	
02	<p>(a) We recommend that there is appropriate liaison and confirmation between Capita and W3R to ensure clarity and agreed understanding regarding the categorisation of changes and the respective processes in each case.</p> <p>(b) We recommend that there is appropriate liaison and confirmation between Capita and W3R to obtain clarity and agreed understanding about the evaluation, scheduling and authorisation of changes, including the CAB processes, and to obtain reassurance about</p>	<p>Medium</p> <p>Merits Attention</p>	<p>Accepted</p> <p>Position – February 2015 Not due</p> <p>Position – May 2015 Completed</p> <p>Accepted</p> <p>Position – February 2015 Not due</p> <p>Position – May 2015</p>	<p>ICT Client Section Head & Capita Account Director</p> <p>ICT Client Section Head & Capita Account Director</p>	<p>30 June 2015 (Not yet due)</p> <p>30 June 2015 (Not yet due)</p>	<p>✓</p> <p>*</p>	<p>Sep 15</p>

IT Change Management 2014/15							
Final report issued January 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	the quality checking that is carried out by Capita in this respect.						
03	We recommend that the test plans and respective results are fully detailed and documented for each RFC as part of the relevant Work Plans. This should also include evidence of reviews carried out by Capita for ensuring that the testing complies with their defined process and that appropriate quality standards are met in this regard.	Medium	Accepted Position – February 2015 Not due Position – May 2015	ICT Client Section Head & Capita Account Director	30 June 2015 (Not yet due)	*	Sep 15

NDR 2014/15							
Final report issued January 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	Procedures covering key risk areas within NDR should be documented and reviewed on a regular basis. Procedures should be proportionate and consideration given whether they are best held electronically within Academy or as a separate manual. They should not duplicate help functions within the Academy system	Medium	Whilst documentation is held within Academy, for less experienced staff two training sessions (morning and afternoon) during March 2015 have since been arranged. The Business Rates Officers will prepare updated procedures early part of 2015/16. Position - February 2015 Not early part of 2015/16 yet, however, both	Revenues Manager	30 June 2015 (Not yet due)	✓	

NDR 2014/15							
Final report issued January 2015							
	or other existing written guidance.		NDR Officers aware. Position – May 2015 Training completed and on-going.				
02	Management should complete periodic checks of a sample of voids and reliefs to ensure businesses are entitled to the relief and the sum is correctly calculated.	Merits Attention	Agreed Position - February 2015 Yet to start awaiting Tablet / Module – Meeting arranged with Capita on 240315 re implementation. Position – May 2015 Exercise being undertaken now and all businesses written to, to advise of review.	Revenues Manager	31 July 2015 (Not yet due)	✓	
03	The available hardware should be introduced within the inspection regime, with appropriate training given where necessary	Merits Attention	To clarify, the Service has bought the Inspectors module (2010 I believe) but yet to purchase the required tablets to support implementation due to lack of IT support. Whilst the current Revenues Manager has implemented such a module at a previous authority this was implemented with the help of internal IT resources and CSS. Position - February 2015 Yet to start awaiting Tablet / Module – Meeting arranged with Capita on 240315 re implementation. Position – May 2015 Not yet due	Revenues Manager	31 July 2015 (Not yet due)	*	
06	Management should undertake periodic checks of a sample of debts on-hold to ensure decisions being made by officers are valid and	Medium	Spreadsheet created for Senior Officers to cursory check 3 Reminder, Final Notice and Summons suppressions.	Revenues Manager	1 April 2015 (Not yet due)	*	30 Sep 2015

<p>NDR 2014/15 Final report issued January 2015</p>							
	appropriate.		Position - February 2015 To start 01/04/15 Position – May 2015 Ongoing				
07	Management should undertake periodic checks of a sample of special payment arrangements to ensure decisions being made by officers are valid and proportionate.	Medium	Recovery Team Leader to review Arrangements monthly. Revenues Manager to look into Arrangement Manager module that is currently available within Academy. Position - February 2015 To start 30/04/15 Position – May 2015 Awaiting 2008 upgrade to Academy.	Recovery Team Leader / Revenues Manager	30 April 2015 (Not yet due)	*	31 Jul 2015
08	The backlog of recent cases should be sent to the new bailiffs. Reconciliations between Academy and the historic bailiffs should be performed and historic cases reviewed to ensure these remain under active consideration. Going forward, regular reconciliations of cases submitted to bailiffs should be completed to ensure all such cases are being monitored.	High	Not only will regular meetings be held during 2015/16 but monitoring and reconciliation of cases will be reviewed quarterly. At the time of the Revenues Managers comments, cases were being prepared to be sent to the three new Bailiff firms on 28 January 2015. Position - February 2015 First batch issued late January, 2015 – Booked meetings with 3 x Bailiff firms for April 2015. Position – May 2015 Completed	Revenues Manager	31 July 2015 (Not yet due)	✓	

VINCI Contract 2014/15							
Final report issued February 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	Senior officers from the Council should attend the annual contract review meeting with the Parking Services Manager and senior executives from VINCI, and give consideration to attendance at the quarterly contract review meeting as appropriate and necessary.	Medium	Agreed Position – May 2015 The annual and quarterly meetings were combined due to the proximity of their due dates and took place on 10 th March 2015 at the Head Office of Vinci Park UK Ltd. The meeting was attended by Watford Council's Section Head of Transport & Infrastructure (Andy Smith), Parking Service Manager Justin Bloomfield), Deputy Parking Service Manager (Liam Hornsby) and Vinci's Regional Commercial Manager, Andy Marr. The meeting covered current performance, contract expectations, forward planning and a demonstration of future technology and potential service improvements. Full minutes of the meeting were recorded and circulated accordingly. The next quarterly meeting will take place 2 nd June 2015.	Transport and Infrastructure Section Head	3 March 2015 (Next quarterly and annual meeting)	✓	
02	The service should produce a formal agenda and minutes for the quarterly and annual contract meeting with VINCI. Agenda and minutes should be circulated to all attendees and Head of Regeneration and Development. The agenda for the quarterly and annual contract meetings should be differentiated from the operational	Medium	Agreed Position – May 2015 The annual and quarterly meetings were combined due to the proximity of their due dates and took place on 10 th March 2015 at the Head Office of Vinci Park UK Ltd. The meeting was attended by Watford Council's Section Head of Transport & Infrastructure (Andy Smith), Parking Service Manager Justin Bloomfield), Deputy Parking Service	Parking Service Manager	3 March 2015 (Next quarterly and annual meeting)	✓	

VINCI Contract 2014/15 Final report issued February 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	matters discussed at the monthly meeting and take a more strategic and overarching view, possibly including: a) Performance and progress of the contract for the preceding contract period, b) A summary of any significant escalated matters, c) Confirmation that key actions from the monthly meetings are being acted upon, d) Contract costs and remuneration, e) Contract terms and variations, f) Review of the contract risk register (see recommendation 3 below), g) Looking to the future of the contract, i.e. upcoming developments, improvements and initiatives, and h) Provision of an update on the industry as a whole.		Manager (Liam Hornsby) and Vinci's Regional Commercial Manager, Andy Marr. The meeting covered current performance, contract expectations, forward planning and a demonstration of future technology and potential service improvements. Full minutes of the meeting were recorded and circulated accordingly. The next quarterly meeting will take place 2nd June 2015.				
03	A contract risk register for the VINCI contract should be established and regularly reviewed. Depending on the risks identified, the risk register should form a regular agenda item for the monthly, quarterly and / or annual contract monitoring meetings. The contract risk register should be proportionate to the size and	Medium	Agreed Position – May 2015 Risk register established.	Head of Regeneration and Development	31 July 2015	✓	

VINCI Contract 2014/15 Final report issued February 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
	significance of the contract and could cover the following risk areas to ensure that the key risks faced by the service have been identified: a) Commercial and financial, b) Legal, political and media, c) Force majeure, d) Operational, e) Health and safety, and f) People, skills and resources. The risk register should consider risks faced by the Council, as well as the contractor, and include the risk owner and risk mitigation actions. Target dates and risk ratings are also useful, and the risk register could also cover the other two Councils who are party to the contract.						

Payroll 2014/15 Final report issued March 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
01	HR should seek assurance from NgA that where an employee received a market forces or other pensionable supplement in 2014/15, the correct pension deduction rate has been applied.	Merits Attention	Agreed Position – May 2015 Implemented	Head of HR	30 September 2015 (Not yet due)	✓	

Contract Payments 2014/15							
Final report issued March 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>When the contract is re-tendered and other contracts are tendered, WBC should ensure that indexation clauses specify the inflationary index to be used, whether the clause allows for a price increase and a price reduction, the measurement period and whether indexation is applied automatically.</p> <p>Future contracts let by WBC containing indexation clauses should be checked at the appropriate point in time during the pre-contract award stage by the Procurement Manager. This would safeguard the Council's interests by ensuring that clauses are correctly worded.</p>	Medium	<p>We will ensure that the area of indexation is clarified at the pre-procurement stage and clearly documented in any future contract. We have discussed the current indexation process with HQ Theatres and it is agreed that RPI is applied annually at the rate in September. This information will be added to the unpublished contract register that the Procurement Manager maintains as a record of the currently agreed indexation arrangement for the duration of this contract up to 2021.</p> <p>Position – May 2015 Implemented</p>	Corporate, Leisure and Community Section Head	Implemented	✓	
02	<p>Changes to the schedule of rates should be formally agreed between both parties at the beginning of each year and invoices received matched to the rates before being approved for payment.</p>	Medium	<p>The up to date figures were sent and agreed as correct following the audit, this contract is coming to an end shortly and more robust management systems for finances will be written into the new contract.</p> <p>Position – May 2015 We are currently in the process of specifying a new contract which will have in it stronger monitoring requirements. Not yet due</p>	Facilities and Resilience Manager	October 2015	* (Not yet due)	

Benefits 2014/15							
Final report issued April 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>The declaration of interest form should be reviewed to ensure it provides adequate protection to the respective Councils.</p> <p>Completed forms should be checked to ensure all staff who have (and need) access to the Academy system have returned a conflicts of interest form. This should be extended to staff outside of the Revenues and Benefits service, for example Customer Service Centre staff.</p> <p>Access to declared accounts should be restricted.</p>	Merits Attention	<p>We will cross check against the establishment list and determine who stills needs to sign a declaration for 2014/15 to get the outstanding ones completed.</p> <p>Position - May 2015 Now we are into a new financial year I will organise the re-signing for all staff in Revs and Bens.</p>	Benefits Manager	31 May 2015 (Not yet due)	*	30 June 2015
02	Overdue account reminders should be issued in accordance with expected timeframes.	Medium	<p>Ongoing as per previous discussion and to be maintained by above officers.</p> <p>Position (May 2015) Completed and now recovery notices being issued in timely fashion.</p>	Revenues Manager / Recovery Team Leader	30 April 2015	✓	
03	Diary dates for special payment arrangements should be reviewed / actioned on a regular basis to prevent a backlog developing.	Medium	<p>Ongoing as per previous discussion and to be maintained by above officers.</p> <p>Position (May 2015) Completed</p>	Revenues Manager / Recovery Team Leader	30 April 2015	✓	
04	<p>The level of write-offs should be increased to clear the historic debt cases.</p> <p>Write-offs should be authorised in accordance with agreed approval</p>	Medium	<p>Ongoing as per previous discussion and to be maintained by above officers.</p> <p>Position (May 2015) Write offs are now up to date.</p>	Revenues Manager / Recovery Team Leader	30 April 2015	✓	

Benefits 2014/15							
Final report issued April 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	limits and these limits should be reviewed to ensure they remain commensurate with current arrangements.						
05	<p>In order to ensure accurate and robust recording of quality checks undertaken, consideration should be given to raising the priority level for the introduction of the QA module within the Academy system.</p> <p>Once set up, this will enable targeted checks to be undertaken and documented, with multiple sampling categories as well as allowing for the identification and monitoring of new or temporary staff who are more likely to make errors.</p>	Merits Attention	<p>The Academy QA system has been reloaded into a test system and we are currently working with IT and Capita CSS to get the module working. Whilst this is being worked on, we continue to carry out accuracy checks and complete a pro-forma with details of any error found and actions that need to be taken to correct the error and by whom etc. Whilst these are paper forms, they are held by the QA Team Leader and available for internal or external audit to view as well as Housing Benefit Team Leaders.</p> <p>Position (May 2015) Date moved.</p>	Benefits Manager	31 May 2015	*	30 Jun 2015
06	<p>In order to ensure compliance with the Data Protection Act (DPA), the Council should ensure that as a matter of urgency, the historical data stored within Anite is cleared.</p> <p>Going forward, the Council should ensure that there are arrangements in place to clear old data on an annual basis to ensure ongoing compliance with the DPA.</p>	Medium	<p>Awaiting Anite upgrade.</p> <p>Position (May 2015) Not yet due</p>	Benefits Manager	30 June 2015 (Not yet due)		

Use of Consultants 2014/15							
Final report issued April 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
01	Where engagement of consultants run beyond a twelve-month period, evidence of adequate insurance cover, including professional indemnity insurance should be obtained annually for such consultancy appointments.	Merits Attention	A Contract Management Forum Toolkit Guidance Note is being drafted, outlining the requirement to check professional indemnity insurance on an annual basis. This will be launched at a Toolkit event in June. Position – May 2015 The Guidance Note has been produced, as attached. The Toolkit will be formally launched at the CMF session on 5th June.	Procurement Manager	30 June 2015 (Not yet due)	x	
02	Performance management meetings should be held with all appointed consultants and those meetings should be recorded. This should be in proportion to the size, value, nature and length of the consultancy, as well as the underlying project itself. Any highlighted issues should be picked up as action points, which should then be followed up by the service to ensure that the objectives of appointing the consultants have been achieved.	Merits Attention	The two projects for which the consultants had been appointed have now been concluded. However, the recommendation will be included in the Use of Consultants Guidance Note, which will form part of the Contract Management Forum Toolkit. Responsibility of producing monitoring meeting minutes will still remain with individual project leaders. Position – May 2015 The Guidance Note is a work in progress which if not ready for the CMF session on 5th June will be done before the end of June.	Procurement Manager	30 June 2015 (Not yet due)	x	

Asset Management 2014/15							
Final report issued April 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	The pro-forma should be sent via email to each service to ensure the information is received promptly.	Medium	Agreed Position – May 2015 Implemented	Estates Surveyor	30 April 2015 and on an ongoing basis.	✓	
02	Consideration should be given for management reports on the outstanding debts to be produced and sent to the Head of Service at regular intervals (e.g. quarterly).	Merits Attention	Agreed Position – May 2015 Implemented	Programme Manager	30 June 2015 and quarterly thereafter.	✓	
03	Consideration should be given to verifying the Property portfolio against the FMS to ensure records are accurate and complete.	Merits Attention	Agreed Position – May 2015 Implemented	Property Manager	1 September 2015	✓	

Report to: Audit Committee

Date of meeting: 30 June 2015

Report of: Nigel Pollard – Acting Head of Finance Shared Services

Title: Internal Audit Annual Report 2014/2015

1.0 **SUMMARY**

1.1 This report gives details of the activities of Internal Audit during 2014/2015 and provides an opinion on the adequacy and effectiveness of the Council's internal control environment.

2.0 **RECOMMENDATIONS**

2.1 That the Committee notes the contents of the annual internal audit report and the annual assurance statement.

2.2 That the Committee acknowledges the assurance from management that the scope and resources for internal audit were subject to no inappropriate limitations in 2014/15.

2.3 Note the results of the self-assessment as required by both the Public Sector Internal Audit Standards and the Quality Assurance and Improvement Programme.

2.4 Accept the SIAS Audit Charter

Contact Officer:

For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Nigel Pollard, Acting Head of Finance

3.0 **DETAILS**

- 3.1 Attached at Appendix 1 to this report are the 2013/14 Annual Assurance Statement and Internal Audit Annual Report.
- 3.2 The Head of Assurance for Internal Audit has provided an opinion on the adequacy and effectiveness of the Council's control environment, broken down between financial and non-financial systems. There are no qualifications to this assurance.
- 3.3 Under Public Sector Internal Audit Standards, it is the role of the Audit Committee to seek assurance that there are no inappropriate limitations on the scope or resources of internal audit. Paragraph 2.4 of the Annual Report gives this assurance from an internal audit viewpoint and this is confirmed as being the case by the Council's Section 151 Officer (the Director of Finance) on behalf of management.

4.0 **IMPLICATIONS**

4.1 **Financial**

- 4.1.1 There are no budget implications associated with this report. The work of internal audit contributes to the Council's corporate governance..

4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 None Specific.

4.3 **Equalities**

None Specific.

4.4 **Potential Risks**

There are no risks associated with the decisions members are being asked to make.

APPENDICES

- Appendix 1 2014/15 Annual Assurance Statement and Internal Audit Annual Report.



Watford Borough Council
2014/15 Annual Assurance Statement
and
Internal Audit Annual Report
30 June 2015

Recommendations

Members are recommended to:

Note the Annual Assurance Statement and Internal Audit Annual Report

Note the results of the self-assessment as required by both the Public Sector Internal Audit Standards and the Quality Assurance and Improvement Programme

Accept the SIAS Audit Charter

Seek assurance from management that the scope and resources for internal audit were subject to no inappropriate limitations in 2014/15

Contents

1. Purpose and Background
 - 1.1 Purpose
 - 1.2 Background
2. Annual Assurance Statement for 2014/15
 - 2.1 Context
 - 2.6 Annual Assurance Statement for 2014/15
3. Overview of Internal Audit Activity in 2014/15
4. Performance of the Internal Audit Service in 2014/15
5. Compliance with the Public Sector Internal Audit Standards and Quality Assurance Improvement Programme
6. Audit Charter

Appendices

- A Final position of the 2014/15 Audit Plan
- B Definitions of Assurance Levels and Priority of Recommendations
- C Progress against Public Sector Internal Audit Standards as at May 2015
- D Internal Audit Charter 2015/16

1. Purpose and Background

Purpose of Report

1.1 The purpose of this report is to:

- Document and communicate internal audit's overall opinion on the adequacy and effectiveness of the Council's control environment, commenting on significant matters and key themes
- Summarise the audit work from which the opinion is derived
- Summarise the performance of the Shared Internal Audit Service (SIAS) in respect of audit work delivered for the Council
- Show the outcomes of the self-assessment against the Public Sector Internal Audit Standards (PSIAS) incorporating the requirements of the Quality Assurance and Improvement Programme (QAIP)
- Present the Audit Charter for 2015/16.

Background

1.2 The provision to the Council of an annual opinion on internal control is a key duty of the Head of Assurance. It is timed to support the production of the Council's Annual Governance Statement.

1.3 Reporting the work of SIAS to Audit Committee Members 'charged with governance' provides them with an opportunity to review and monitor the outputs of internal audit activity and gain assurance that the Council's internal audit function is fulfilling its statutory obligations. This process is an integral component of corporate governance.

1.4 The Head of Assurance's opinion is based on internal audit work undertaken during the 2014/15 financial year. SIAS is grateful for the co-operation and support it has received from all those who have engaged with the audit process during the period.

2. Annual Assurance Statement 2014/15

Context

2.1 *Scope of responsibility*

The management of the Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The management of the Council is also responsible for ensuring that there is a sound system of internal control, which includes arrangements for managing risk.

2.2 *Control environment*

The Council's control environment comprises three key areas: internal control, governance, and risk management arrangements. Together these areas are designed to manage risk to a reasonable level rather than eliminate risk completely.

The purpose of these arrangements is to help ensure that the Council's policies, priorities and objectives are achieved.

2.3 *Review of effectiveness*

The Head of Assurance is required to confirm the fitness for purpose of internal audit to carry out work that informs the assurance opinion.

The Head of Assurance therefore commissioned a self-assessment exercise, thus satisfying PSIAS requirements 1311 and 1312 for periodic self-assessments as part of a Quality Assurance and Improvement Programme. The self-assessment exercise was conducted against the PSAS requirements. Its results allow SIAS to evidence that effective arrangements are in place and internal audit standards are in line with good practice.

As a result, the Head of Assurance is able to report a substantial level of conformance with the Public Sector Internal Audit Standards and considers the internal audit service to be effective.

The exercise did not identify any significant deviations from Standards which warrant inclusion in the Council's Annual Governance Statement. Appendix C of this report contains a table setting out areas where further action is needed in order to ensure conformance and discloses areas of intentional non-conformance.

2.4 *Confirmation of independence of internal audit and assurance on limitations*

The Head of Assurance confirms that during the year there have been no matters arising which have threatened the independence of the internal audit function. The Head of Assurance also confirms that there have been no inappropriate scope or resource limitations on the internal audit function during the year.

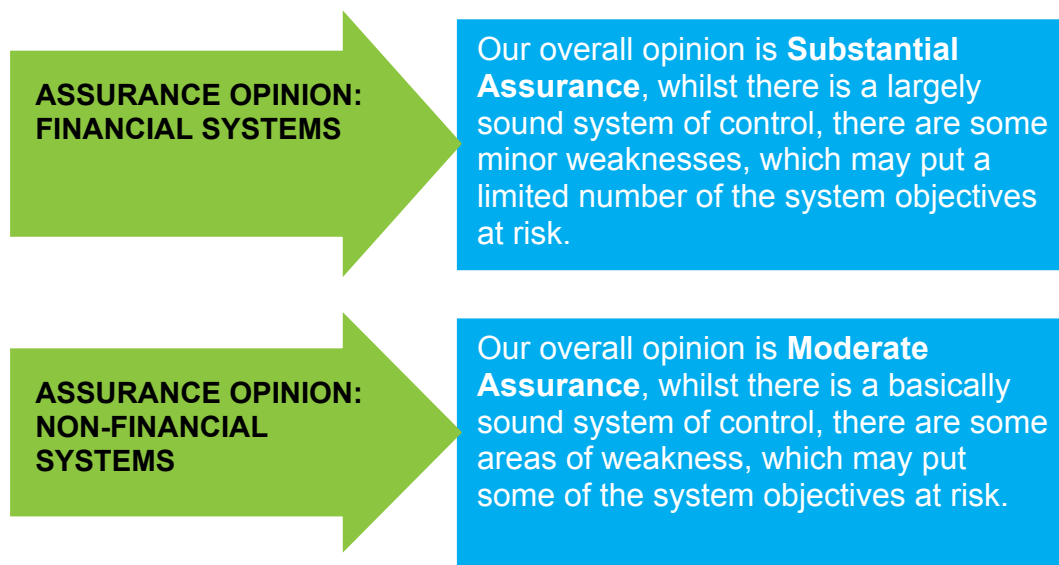
2.5 *Basis of assurance opinion*

Our assurance opinion is based on the work carried out by SIAS during 2014/15 which has been planned in order to give sufficient assurance on the management of key risks within the organisation.

Annual Assurance Statement for 2014/15

2.6 *Assurance opinion on internal control*

From the internal audit work undertaken in 2014/15 we can provide the following opinion on the adequacy and effectiveness of the Council's control environment, broken down between financial and non-financial systems. There are no qualifications to this assurance.



2.7 *Assurance opinion on Corporate Governance and Risk Management*

In our opinion the corporate governance and risk management framework substantially complies with the best practice guidance on corporate governance issued by CIPFA/SOLACE. This conclusion is based primarily on the work undertaken by the Council and reported in its Annual Governance Statement for 2014/15; and, the specific reviews of Risk Management and Corporate Governance carried out by SIAS over February and March 2015, which both received overall a Full Assurance opinion.

**Head of Assurance for the Shared Internal Audit Service
June 2015**

3. Overview of Internal Audit Activity in 2014/15

- 3.1 This section of the report summarises the work of the audit service during the year, highlighting matters of significance in respect of the internal control environment and opportunities for improvement.
- 3.2 Appendix A lists the audit work that was completed in the year and the final position on the agreed audit plan, including the assurance level provided and number of recommendations made. The levels of assurance and priority of recommendations are summarised in the tables below, and include a comparison against 2014/15.

Assurance Level	Number of reports 2014/15 (2013/14 data in brackets)	Percentage of reports 2014/15 (2013/14 data in brackets)
Full	10 (5)	37% (19%)
Substantial	8 (9)	29% (35%)
Moderate	4 (8)	15% (31%)
Limited	1 (0)	4% (0%)
No	0 (0)	0% (0%)
Not Assessed	4 (4)	15% (15%)
Total	27 (26)	100% (100%)

Recommendation Priority Level	Number of recommendations 2014/15 (2013/14 data in brackets)	Percentage of recommendations made 2014/15 (2013/14 data in brackets)
High	8 (6)	14% (8%)
Medium	25 (44)	44% (56%)
Merits Attention	24 (28)	42% (36%)
Total	57 (78)	100% (100%)

- 3.3 The substantial overall assurance opinion on financial systems represents an improvement compared to the moderate assurance opinion given in 2013/14. Four of the nine key financial systems audits received 'full' assurance, a further three received 'substantial' assurance and two received 'moderate' assurance. The latter is a decrease in the number of moderate assurance reports from three in 2013/14 to two in 2014/15.

The Debtors and NDR audits both received moderate assurance and a total of four high priority recommendations were made regarding recovery processes and write-offs. Management assurance gained via the quarterly follow up of internal audit recommendations (as reported to Audit

Committee) indicates that all four recommendations have been fully implemented. SIAS will re-assess the control environment when the 2015/16 NDR and Debtors audits are completed in quarter three.

3.4 The moderate overall assurance opinion on non-financial systems represents a change compared to the substantial assurance opinion given in 2013/14. Six non-financial systems audits received 'full' assurance, five received 'substantial' assurance and two received 'moderate' assurance in 2014/15. Although this represents an overall improvement in the assurance opinions reported across the individual audits, the outcomes of the three IT audits completed during the year (as summarised below) have contributed to the change in overall assurance opinion. This is because IT is fundamental to the achievement of the Council's objectives and a key enabler of Council services.

- IT Operations and Contract Management – 'limited' assurance as to how Capita are delivering the contract, with two high priority recommendations made, and 'substantial' assurance that effective controls are in place for how the Councils are managing the outsourced contract.
- IT Disaster Recovery – 'moderate' assurance with two high priority recommendations
- IT Change Management – 'moderate' assurance with no high priority recommendations

Quarterly updates on the status of all the high priority recommendations made will be brought to this Committee.

4. Performance of the Internal Audit Service in 2014-15

Performance indicators

- 4.1 The table below compares the performance in 2014/15 of SIAS at Three Rivers District Council against targets set by the Board of the Shared Internal Audit Service.

Indicator	Target for 2014/15	Actual to 31 March 2015
1 SIAS Planned Days – percentage of actual billable days delivered against planned billable days	95%	99%
2 SIAS Planned Projects – actual completed projects to draft report stage against planned completed projects	95%	100%
3 External Auditors' Satisfaction – the Annual Audit Letter should formally record whether or not the External Auditors are able to rely upon the range and the quality of SIAS' work	Formal Reliance	Achieved
4 SIAS Annual Plan – prepared in time to present to the March meeting of each Audit Committee. If there is no March meeting then the plan should be prepared for the first meeting of the financial year	Deadline met	Achieved
5 Client Satisfaction - client satisfaction questionnaires returned at 'satisfactory overall' level (minimum of 39/65 overall)	100%	100%
6 Head of Assurance's Annual Report – prepared in time to present to the first meeting of each Audit Committee in the financial year	Deadline met	Achieved

Annual Assurance Statement and Internal Audit Annual Report Watford Borough Council

7 Number of High Priority Audit Recommendations agreed	95%	100%

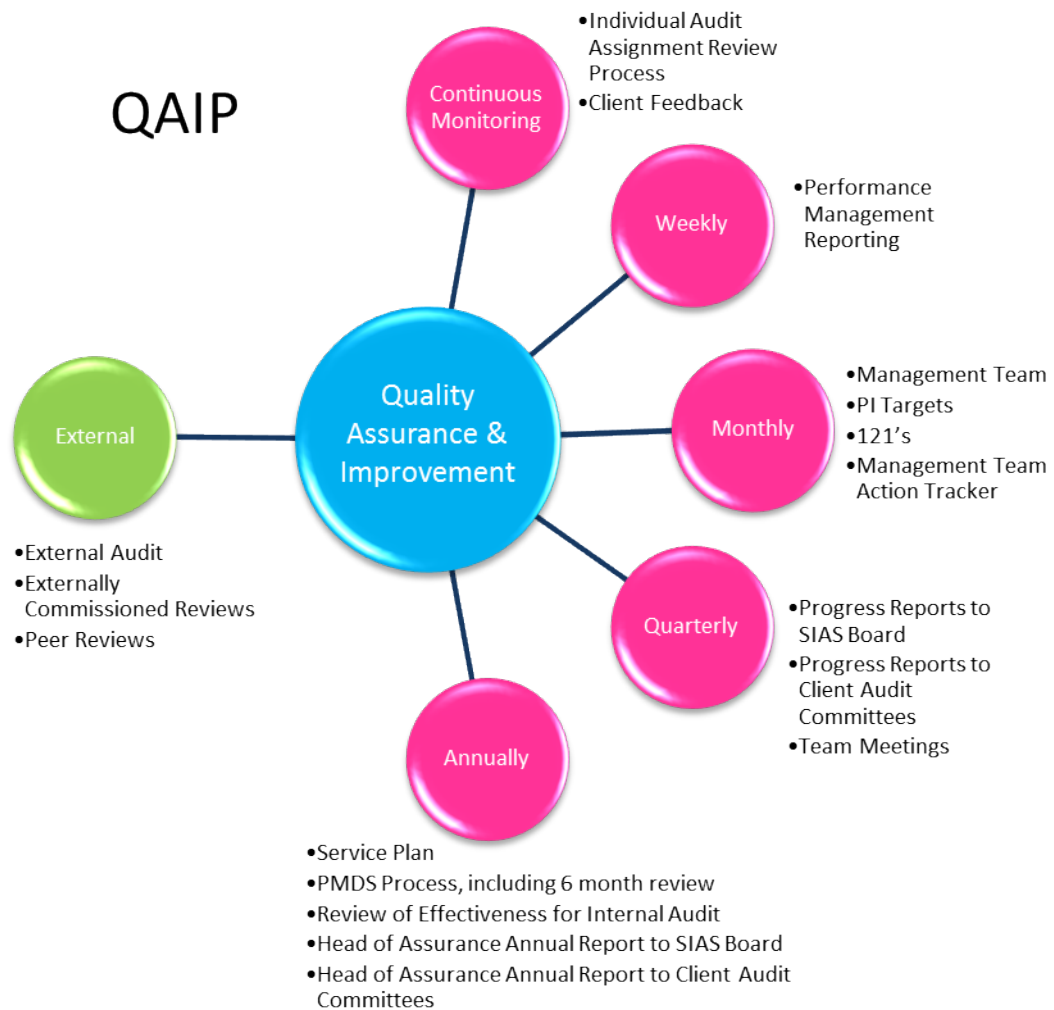
Developments in the year

4.2 During 2014/15 a number of service development activities took place within SIAS, designed to continually enhance the service offering:

- Audit Planning and Scheduling – agreeing with client the month in which an audit review would commence allowing management sufficient time to prepare for the audit to take place and allowing SIAS to better schedule its resources.
- Shared Learning – a joint review took place to compare Annual Governance Statement activity across the partnership; further, a review of the means by which SIAS currently shares learning across the partnership was carried out, with proposals for specific shared learning activity from 2015/16 onwards.
- Procurement of external partner – a procurement exercise took place to select an external partner to work with SIAS over the forthcoming three years. The selected partner is 'BDO' the fifth largest accountancy network in the world; a worldwide professional services network of public accountancy firms, serving national and international clients. BDO will begin working with SIAS from April 2015 replacing the current partner PriceWaterhouseCoopers.
- Methodology review – a project to review the means by which audit fieldwork is documented by SIAS auditors.

5. Compliance with the Public Sector Internal Audit Standards and Quality Assurance and Improvement Programme

- 5.1 The Public Sector Internal Audit Standards are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). They promote the professionalism, quality, consistency and effectiveness of internal audit across the public sector. They highlight the importance of robust, independent and objective internal audit arrangements to provide senior management with the key assurances they need to support them both in managing the organisation and in producing the Annual Governance Statement.
- 5.2 The Head of Assurance has reviewed the conformance of SIAS with the PSIAS standards using a checklist. The checklist detailing this exercise is available on request.
- 5.3 The self-assessment carried out in 2014/15 identified three areas of part-conformance. Progress against these areas is shown in detail in Appendix C, Section C.
- 5.4 In relation to intentional non-conforming areas these are set out in Appendix C, Section B and cover the requirement for the chief executive sign off for the Head of Assurance Appraisal. The Head of Assurance Appraisal includes an opportunity for Chief Financial Officers across the SIAS partnership to input views. It is considered that this is appropriate given the shared nature of the service and no further action is proposed currently.
- 5.5 One of the main elements of the PSIAS is the requirement to define a Quality Assurance and Improvement Programme (QAIP) for SIAS. This work has been duly undertaken.
- 5.6 The SIAS QAIP includes both internal and external monitoring and reporting to assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement. The diagram below details the methods used to monitor and report on quality and performance. Detailed information outlining activity in each area is contained in the SIAS Audit Manual.



5.7 During the year SIAS has operated according to its QAIP. Evidence is available within the service to support the achievement of each of the QAIP elements.

5.8 An externally commissioned review of the service's conformance with PSIAS standards has to be undertaken at least once every five years. This has been scheduled for 2015/16.

6. Audit Charter

- 6.1 The Public Sector Internal Audit Standards require that a local authority formally adopts an Audit Charter covering the authority and responsibility for its internal audit function.
- 6.2 The SIAS Audit Charter sets out the framework within which it discharges its internal audit responsibilities to those charged with governance in the Council. It also details the permanent arrangements for the internal audit and key governance roles and responsibilities to ensure the effectiveness of internal audit provision.
- 6.3 An annual review of the Audit Charter is undertaken as part of the SIAS Service Plan activity. The review for 2015/16 did not result in any fundamental changes to the document, although a number of minor amendments have taken place. The Charter for 2015/16 is attached at Appendix D.

APPENDIX A - FINAL POSITION FOR THE 2014/15 AUDIT PLAN

2014/15 Watford Borough Council Audit Plan

	Level of Assurance	Recommendations			Plan Days	Audit progress /Status
		H	M	MA		
Key Financial Systems						
Benefits (shared plan)	Substantial	0	4	2	15	Final report issued
Council Tax (shared plan)	Substantial	0	2	4	12	Final report issued
Creditors (shared plan)	Full	0	0	0	9	Final report issued
Debtors (shared plan)	Moderate	2	1	1	11	Final report issued
Main Accounting CRSA Yr1 (shared plan)	Substantial	0	0	0	15	Final report issued
NDR (shared plan)	Moderate	2	5	3	12	Final report issued
Payroll (shared plan)	Full	0	0	1	14	Final report issued
Treasury Management CRSA Yr1	Full	0	0	0	5	Final report issued
Budgetary Control	Full	0	0	0	8	Final report issued
Operational Audits						
Asset Management	Substantial	0	1	2	8	Final report issued
Community Centres	Full	0	0	0	6	Final report issued

APPENDIX A - FINAL POSITION FOR THE 2014/15 AUDIT PLAN

	Level of Assurance	Recommendations			Plan Days	Audit progress /Status
		H	M	MA		
Community Grants	Full	0	0	0	6	Final report issued
Enforcement	-	-	-	-	1	Audit cancelled
Health Campus	-	-	-	-	0	Audit cancelled
Sickness Absence (shared plan)	Full	0	0	0	8	Final report issued
Procurement						
Charter Place Development	N/A	-	-	-	1	Audit closed
Procurement and Contract Management Baseline Assessment Follow Up	N/A	-	-	-	3	Final report issued
SLM & HQ Theatres Contract Management	Substantial	0	1	5	12	Final report issued
Veolia Contract Management Follow Up	N/A	-	-	-	5	Final report issued
Contract Payments	Substantial	0	2	0	16	Final report issued
Use of Consultants	Substantial	0	0	2	8	Final report issued
VINCI Parking Contract	Substantial	0	3	0	5	Final report issued
SIAS Joint Reviews						
NDR Anti-Avoidance Arrangements (shared plan)	Full	0	0	2	8	Final report issued

APPENDIX A - FINAL POSITION FOR THE 2014/15 AUDIT PLAN

	Level of Assurance	Recommendations			Plan Days	Audit progress /Status
		H	M	MA		
Risk Management & AGS Workshop	N/A	-	-	-	2	Final report issued
Counter Fraud						
Review of Counter-Fraud Arrangements (shared plan)	-	-	-	-	0	Audit cancelled
Risk Management and Governance						
Risk Management	Full	0	0	0	5	Final report issued
Corporate Governance	Full	0	0	0	5	Final report issued
Ad Hoc Advice						
Ad Hoc Advice	N/A	-	-	-	3	Complete
IT Audits						
Disaster Recovery (shared plan)	Moderate	2	1	0	12	Final report issued
IT Operations & Contract Management (shared plan)	Councils – Substantial Capita - Limited	2	1	0	15	Final report issued
IT Change Control (shared plan)	Moderate	0	4	2	15	Final report issued
Contingency						
Remaining Contingency	N/A	-	-	-	2	Unused

APPENDIX A - FINAL POSITION FOR THE 2014/15 AUDIT PLAN

	Level of Assurance	Recommendations			Plan Days	Audit progress /Status
		H	M	MA		
Follow-Up Audits						
Follow up of outstanding audit recommendations	N/A	-	-	-	10	Complete
Strategic Support						
Head of Internal Audit Opinion 2013/14	N/A	-	-	-	2	Complete
External Audit Liaison	N/A	-	-	-	1	Complete
Audit Committee	N/A	-	-	-	12	Complete
Monitoring and Client Meetings	N/A	-	-	-	10	Complete
2015/16 Audit Planning	N/A	-	-	-	6	Complete
SIAS Development	N/A	-	-	-	3	Complete
2013/14 Projects Requiring Completion						
2013/14 Projects Requiring Completion (12 days shared; 4 days WBC)	N/A	-	-	-	16	Complete
		8	25	24		
WBC TOTAL					149	
SHARED SERVICES TOTAL					158	
TOTAL					307	

APPENDIX A - FINAL POSITION FOR THE 2014/15 AUDIT PLAN

Key to Assurance Level and Recommendation Priority Levels:

N/A = Not Applicable

H = High priority recommendations; M = Medium priority recommendations; MA = Merits Attention priority recommendations

APPENDIX B - DEFINITIONS OF ASSURANCE LEVELS AND PRIORITY OF RECOMMENDATIONS

Levels of assurance	
Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified.
Substantial Assurance	Whilst there is a largely sound system of control, there are some minor weaknesses, which may put a limited number of the system objectives at risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some areas of weakness, which may put some of the system objectives at risk.
Limited Assurance	There are significant weaknesses in key control areas, which put the system objectives at risk.
No Assurance	Control is weak, leaving the system open to material error or abuse.

Priority of recommendations	
High	There is a fundamental weakness, which presents material risk to the objectives and requires urgent attention by management.
Medium	There is a significant weakness, whose impact or frequency presents a risk which needs to be addressed by management.
Merits Attention	There is no significant weakness, but the finding merits attention by management.

Section A: Conformance

During 2014/15 all areas apart from those identified in Sections B and C below are conforming.

Section B: Intentional Non-Conformance

Ref	Area of Non-Conformance with the Standard	Commentary	
3.1a	<p>Purpose, Authority and Responsibility</p> <p>Does the board (defined as the Audit Committee) approve decisions relating to the appointment and removal of the Chief Audit Executive (CAE) (Head of Assurance)</p>	<p>The Deputy Chief Executive of Hertfordshire County Council, in consultation with the Board of the Shared Internal Audit Services approves decisions relating to the appointment and removal of the CAE.</p> <p>This is as provided for in the governance of the Shared Internal Audit Service.</p>	<p>Non-conformance</p> <p>No further action proposed. The current arrangements are considered effective given the shared nature of SIAS.</p>

APPENDIX C – PROGRESS AGAINST PUBLIC SECTOR INTERNAL AUDIT STANDARDS AT MAY 2015 – ACTION PLAN

<p>3.1c</p>	<p>Purpose, Authority and Responsibility Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?</p>	<p>The performance appraisal is carried out by the Deputy Chief Executive of Hertfordshire County Council (HCC)</p>	<p>Non-conformance No further action proposed. The appraisal process was carried out by the HCC Deputy Chief Executive with input from all partner chief finance officers. The current arrangements are considered effective given the shared nature of SIAS.</p>
--------------------	---	---	--

Section C: Part Conformance

Ref	Area of Non-Conformance with the Standard	Position as at May 2015
3.3	<p>Proficiency and Due Professional Care</p> <p>Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques?</p>	<p>Part conformance</p> <p>Team members have appropriate knowledge but strategy for computer assisted audit techniques to be developed.</p> <p>December 2015</p>
4.5	<p>Communicating results</p> <p>Does the Annual Report incorporate the results of the QAIP and any associated improvement actions</p>	<p>Part Conformance</p> <p>QAIP in place and results reported annually. Process improvements planned in 2015/16 year.</p> <p>September 2015</p>

APPENDIX C – PROGRESS AGAINST PUBLIC SECTOR INTERNAL AUDIT STANDARDS AT MAY 2015 – ACTION PLAN

4.5	Communicating results The results of the QAIP? Progress against any improvement plans resulting from the QAIP?	Part Conformance QAIP in place and results reported annually. A robust process for linking the QAIP and improvement plans to be introduced. September 2015
------------	---	--



Internal Audit Charter

1. Introduction and Purpose

- 1.1. Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the Council. It assists the Council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness and efficiency of the Council's risk management, control, and governance processes.

2. Scope

- 2.1. This Internal Audit Charter is applicable to all clients of Hertfordshire's Shared Internal Audit Service (SIAS) during 2015/16. These clients are:

- East Hertfordshire Council
- Hertfordshire County Council
- Hertsmere Borough Council
- North Hertfordshire District Council
- Stevenage Borough Council
- Three Rivers District Council
- Watford Borough Council
- Welwyn Hatfield Borough Council
- Welwyn Hatfield Community Housing Trust

3. Statutory Basis of Internal Audit

- 3.1. Within local government there is a statutory requirement for an internal audit function. The 2003 Accounts and Audit Regulations (as amended by the 2006, 2009 and 2011 Regulations) require that a local authority 'must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'.

- 3.2. In addition, a council's Chief Finance Officer has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. The S151 officer relies, amongst other sources, upon the work of internal audit in reviewing the operation of systems of internal control and financial management.

4. Role

- 4.1. Internal audit activity provided by SIAS is established by the Audit Committee. The responsibilities of SIAS are defined by the Audit Committee, via this Charter, as part of its oversight role.
- 4.2. SIAS may undertake consultancy activity (additional activity requested by management) where it has the necessary skills and resources to do this. Such activity will be determined by the Head of Assurance on a case by case basis and significant additional consulting activities will not be carried out without prior consultation of the SIAS Board.

5. Professionalism

- 5.1. SIAS governs itself by adherence to the Public Sector Internal Audit Standards (PSIAS). These mandatory public sector specific standards were introduced on 1 April 2013, through a joint venture between the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (IIA).
- 5.2. This mandatory guidance includes the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing ('the Standards') and sets out the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of an internal audit function's performance.
- 5.3. The IIA's Practice Advisories, Practice Guides, and Position Papers are adhered to as applicable to guide operations. In addition, SIAS adheres to the council's relevant policies and procedures, including compliance with the Bribery Act 2010 and other relevant legislation. These are included in SIAS's standard operating procedures manual, which is subject to regular review.
- 5.4. In the event of non-conformance with the Standards, the Head of Assurance will investigate and disclose, in advance if possible, the exact nature of the non-conformance, the reasons for it, and, if applicable, the impact on any specific engagement or engagement result.

6. Authority and Confidentiality

- 6.1. With strict accountability for confidentiality and safeguarding records and information, SIAS is authorised full, free, and unrestricted access to any and all of a client's records, physical properties, and personnel pertinent to carrying out an engagement.

- 6.2. Internal Auditors must use this information for carrying out the audit, and must ensure that it is not used in any manner that would be contrary to the law, for personal gain, or detrimental to the legitimate and ethical objectives of the client organisation(s). However, disclosure must be made of all material facts known to Internal Auditors which, if not disclosed, could distort their reports or conceal unlawful practice.
- 6.3. All employees are requested to assist SIAS in fulfilling its roles and responsibilities. SIAS also has free and unrestricted access to the Audit Committee and Senior Management.

7. Organisation

- 7.1. SIAS has direct access to Senior Management, the Audit Committee, the Chief Executive and the Chair of the Audit Committee. The Section 151 Officer and the Audit Committee will jointly agree the level of internal audit resource to be deployed. The Head of Assurance will communicate and interact directly with Senior Management, the Audit Committee, and the nominated external audit representative in executive sessions and between meetings as appropriate. Outside formal Senior Management and Audit Committee meetings, the Head of Assurance will have unrestricted access to the Chief Executive and the Chair of the Audit Committee.
- 7.2. For line management purposes, the Head of Assurance reports to the post of Deputy Chief Executive and Chief Financial Officer at Hertfordshire County Council (HCC). The Deputy Chief Executive of HCC approves all decisions regarding the performance evaluation, appointment, or removal of the Head of Assurance, in consultation with the SIAS Board. Feedback is also sought from the Audit Committee chairs of the SIAS partners.

8. Stakeholders

- 8.1. The following groups are defined as stakeholders of SIAS:
- 8.2. The Head of Assurance, who must be suitably experienced and qualified (CCAB and / or CMIIA), is responsible for hiring, appraising and developing appropriate Internal Audit staff in accordance with the HR guidance of the hosting Authority and the job descriptions which are kept up-to-date and reflect the roles, responsibilities, skills, qualifications, and attributes required of Internal Auditors. Together, the Internal Audit staff will possess or obtain the skills, knowledge and other competencies (including ethical practice) required to perform SIAS engagements.
- 8.3. The Audit Committee fulfils the role of 'board' in the majority of instances, and is responsible for overseeing the effectiveness of SIAS and holding the Head of Assurance to account for delivery, through the setting of performance targets and receipt of regular updates and reports. The Audit Committee is responsible for the effectiveness of the governance, risk and control environment within the

Council, holding managers to account for delivery. The Chair of the Audit Committee will also be asked to contribute to the annual appraisal of the Head of Assurance.

- 8.4. Senior Management, defined as the Head of Paid Service, Chief Officers, and their direct reports, are responsible for helping shape the programme of assurance work through an analysis and review of key risks to achieving the Council's objectives and priorities. Senior management provides leadership and direction for the Council.
- 8.5. The SIAS Board is the governance group charged with monitoring and reviewing the overall operation of SIAS, including:
 - resourcing and financial performance,
 - performance indicators measuring operational effectiveness, and
 - the overall strategic direction of the shared service.

9. Independence and Objectivity

- 9.1. SIAS will remain free from interference by any element in the organisation in matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.
- 9.2. As well as having an impartial, unbiased attitude, Internal Auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair an internal auditor's judgment.
- 9.3. The Head of Assurance will confirm to the Audit Committee, at least annually, the organisational independence of SIAS.

10. Conflicts of Interest

- 10.1. Internal auditors must exhibit the highest level of professional objectivity when gathering, evaluating, and communicating information about the activity or process being examined.
- 10.2. In addition to ensuring that any information accessed as part of the audit process is not used for personal gain, Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.
- 10.3. Each auditor is required, in addition to the ethical requirements of the various professional bodies, to proactively declare any potential conflict of interest, whether actual or apparent, prior to the commencement of each audit assignment.

- 10.4. All auditors are required to sign an annual declaration of interest to ensure that the allocation of audit work avoids conflict of interest. Auditors who undertake any consultancy work or are new to the team will be prohibited from auditing in those areas where they have worked in the past year. Audits are rotated within the team to avoid over-familiarity and complacency.
- 10.5. SIAS has procured an arrangement with an external audit partner to provide additional internal audit days on request. The external partner will be used for the internal audit of any functions directed by the Head of Assurance and to provide competent advice and assistance to the Head of Assurance in the event that the skills, knowledge, and other competencies are lacked by SIAS staff.
- 10.6. In the event of a real or apparent impairment of independence or objectivity, including acceptance of gifts, hospitality, inducements or other benefits, investigation and declaration, in advance if possible, to appropriate parties will be carried out by the Head of Assurance.

11. Responsibility and Scope

- 11.1. The scope of SIAS encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives. Internal control and risk management objectives considered by internal audit extend to the entire control and risk management environment of the organisation and include:
- consistency of operations or programs with established objectives and goals, and effective performance;
 - effectiveness and efficiency of governance, operations and employment of resources;
 - compliance with significant policies, plans, procedures, laws, and regulations;
 - design, reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information; and
 - safeguarding of assets.
- 11.2. SIAS is responsible for evaluating all processes ('audit universe') of the organisation including governance processes and risk management processes and promoting appropriate ethics and values within the organisation. It also assists the Audit Committee in evaluating the quality of performance of external auditors and ensuring a proper degree of coordination is maintained.
- 11.3. Due to its detailed knowledge and understanding of risks and controls, SIAS is well placed to provide advice and support on emerging risks and issues. As a result, it may perform consulting and advisory services as appropriate for the organisation. It may also evaluate specific operations at the request of the Audit Committee and senior management, as appropriate.

- 11.4. Based on its activity, SIAS is responsible for reporting significant risk exposures and control issues identified to the Audit Committee and to senior management, including fraud risks, governance issues, and other matters needed or requested by these bodies. This ensures SIAS plays a key role in providing assurance to the Audit Committee and senior management on the effectiveness of the entire control environment.
- 11.5. Each engagement will be allocated to (an) Internal Auditor(s) with the appropriate skills, experience and competence, who is then responsible for carrying out the work in accordance with the SIAS Audit Manual, and considering, as well as the relevant elements of internal control outlined above, the needs and expectations of clients, the extent of work required to meet the engagement's objectives, its cost effectiveness, and the probability of significant error or non-compliance.

12. Role in Anti-Fraud

- 12.1. The work programme of SIAS is designed, in part, to help deter fraud and corruption. With this in view, SIAS bases its planning on regular risk assessment, and works with the Chief Financial Officer, other senior managers and the Audit Committee in determining its programme of work.
- 12.2. The SIAS audit methodology is designed to provide the Council with assurance on the adequacy and effectiveness of internal controls, processes and records in place to mitigate risks within key assurance areas comprising the scope of each individual audit assignment, whether an operational audit or key financial system audit. These risks may be directly, or indirectly, linked to fraud, negligence or error. Internal Auditors are also trained to be alert to the possible risk of fraud, especially where weaknesses in control are identified.
- 12.3. SIAS works collaboratively and shares information received with the Anti-Fraud Team for co-ordination and action, as well as with relevant partners, including with government via the National Fraud Initiative, to increase the likelihood of detecting fraudulent activity and reducing the risk of fraud to all.
- 12.4. The Head of Assurance should be notified of all suspected or detected fraud, corruption or impropriety so that the impact upon control arrangements can be evaluated.

13. Internal Audit Plan

- 13.1. At least annually, the Head of Assurance will submit to the Audit Committee for review and approval a risk-based plan which sets out in priority order the audit and other work to be carried out and demonstrates SIAS' priorities (e.g. the need to produce an annual internal audit opinion) and those of the organisation and sector, including any relevant declarations of interest.
- 13.2. The plan will include the risk assessment approach used and reference to the organisation's assurance framework, as well as timing, budget and resource requirements (including specialist input) for the next financial year. These

requirements will include a contingency for new or changed risks, time for planning and reporting, and a contribution to the development of SIAS. The Head of Assurance will communicate the impact of resource limitations and significant interim changes of senior management to the Audit Committee, who should seek similar reassurance from management.

13.3. Prior to submission to the Audit Committee for approval, the plan is discussed with appropriate senior management. The plan will be subject to regular review in year, and may be modified in response to changes in the organisation's business, risks, operations, programmes, systems and controls. However, any significant deviation from the approved internal audit plan will be communicated through the periodic activity reporting process.

14. Reporting and Monitoring

14.1. The Head of Assurance will, following discussion if necessary, arrange for a written Terms of Reference to be prepared and issued to appropriate personnel at the start of the engagement, outlining the intended objectives, scope, and reporting. This may be subject to review in consultation with the client during the course of the engagement.

14.2. At the conclusion of an engagement, an internal audit report will be issued, including a reasoned opinion, along with the framework, time period and scope within which it was prepared and management's response and corrective action taken or to be taken in response to the specific risk prioritised findings and recommendations. Management's response will include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

14.3. SIAS will be responsible for appropriate follow-up on findings and recommendations and will use this work to inform the risk-based planning of future audit work. SIAS will also report to the Audit Committee on the results of this activity, and may, if necessary, consider revising the internal audit opinion on the basis of this follow-up. Should follow-up bring to light any significant error or omission, the Head of Assurance will ensure that it is communicated to all relevant parties.

14.4. The Head of Assurance will consider on a risk-basis any request from external stakeholders for reports on the results of internal audit activity, in consultation with senior management

14.5. The Head of Assurance will arrange for quarterly update reports to the Audit Committee to advise on the results of each engagement, including significant risk exposures and control issues, and provide an annual report to the Audit Committee. The annual report will include an opinion on the overall control, governance, and risk management environment (and any other issues judged relevant to the preparation of the Annual Governance Statement), and a summary of the work that supports the opinion including a comparison with the

plan, a statement of conformance with PSIAS, and the nature and reasons for any impairments, qualifications or restrictions in scope.

15. Periodic Assessment

- 15.1. In accordance with Section 6 of the Accounts and Audit (England) Regulations 2011, the Head of Assurance and the SIAS Board will make arrangements for the conduct by a suitably knowledgeable, qualified and competent individual or organisation of an independent review of the effectiveness of internal audit. The review is designed to ensure that the opinion given in the Annual Report of the Head of Assurance may be relied upon as a key source of evidence in the Annual Governance Statement.
- 15.2. The Head of Assurance will ensure that continuous efforts are made to improve the efficiency, effectiveness, and quality of SIAS. This will be carried out formally through the Quality Assurance and Improvement Programme, client feedback, appraisals, and shared learning with the external audit partner, and informally through coaching, supervision, and documented review.
- 15.3. The work will be conducted on the basis of one review of SIAS providing assurance for all SIAS partner members. The results of the review will be included in the Annual Report.

16. Review of the Audit Charter

- 16.1. This charter will be subject to annual review by the Head of Assurance and any changes presented to Audit Committee for approval at the first audit committee meeting in each financial year.
- 16.2. The Audit Charter was last reviewed by Helen Maneuf CPFA, Head of Assurance in May 2015. The date of the next review will be May 2016.

Note:

For readability, in this Charter the term 'internal audit activity' as used in the PSIAS guidance has been replaced with 'SIAS'.

Agenda Item 11

PART A

Report to: Audit Committee
Date of meeting: 30 June 2015
Report of: Fraud Manager
Title: Fraud Annual Report

1.0 **SUMMARY**

1.1 This report informs members of the work of the Fraud Section for the financial year 2014/2015 and provides updates on progress and developments for the current financial year.

1.2 Following the impending transfer in December 2015 of the investigation of Housing Benefit fraud to the Single Fraud Investigation Service (SFIS) this report provides an update on the current position.

2.0 **RECOMMENDATIONS**

2.1 To note the contents of this report.

Contact Officer:

For further information on this report please contact: Garry Turner, Fraud Manager
telephone extension:727190 email: garry.turner@threerivers.gov.uk

Report approved by: Nigel Pollard Acting Head of Finance

3.0 **DETAILED PROPOSAL**

3.1 Fraud is a crime that affects all citizens including our tax payers and service users. The latest estimate in October 2014 from the Audit Commission's protecting the Public Purse estimated that fraud costs the UK public sector £20 billion a year and in local government more than £2.1 billion a year. The harm caused by fraud is not just financial: it damages local communities. It is vital therefore that we have a strong anti-fraud culture underpinned with effective counter-fraud policies and good practice procedures.

The Audit Commission report can be downloaded from:

<http://www.audit-commission.gov.uk/wp-content/uploads/2014/10/Protecting-the-Public-Purse-2014-Fighting-Fraud-against-Local-Government-online.pdf>

3.2 It is recognised we must have effective core arrangements in order for us to be effective. These include prevention and deterrence, investigation and detection, recovery and redress and openness and transparency.

3.3 The Council is committed therefore to providing a proportionate and efficient value for money anti-fraud service which understands and acknowledges our fraud risks. We must have efficient policies that are reviewed, have sanctions in place for those that offend and that reflect legislative changes and continually strengthen existing and new partnerships. Countering Fraud is the responsibility of everyone.

3.4 The Fraud Section is part of the Finance Shared Service with Watford. The details below apply to both councils unless otherwise stated.

Housing Benefit and Council Tax Reduction

3.5 In respect of Housing Benefit and the Council Tax Reduction Scheme, a complex legal framework is in place to define who is entitled to benefit and to reduce fraud from entering the system at inception. It is an integral part of the administration that everyone is aware and vigilant of the risks. Unfortunately, however good the administration of benefits is, it is always likely fraud will enter the system by deliberate acts

3.6 The Department for Works and Pensions (DWP) sets the standards which govern the effective and secure delivery of housing benefits and counter-fraud activities. The purpose of this is to ensure that counter-fraud activities are properly managed. It is important to focus resources on fraud reduction, to identify,

investigate and rectify administrative weakness and to assure Members of the integrity and quality of investigations. The changes proposed by the creation of SFIS, referred to in section 1.2, will be dealt with later on this report

3.7 The current funding for housing benefit counter-fraud activities is paid via the general administration grant received from the DWP.

3.8 The fraud team is co-located in Three Rivers House and in the Watford Town Hall.

3.9 During 2014/15 the Fraud Section issued the following sanctions in respect of fraudulent claims;

Action	Three Rivers DC	Watford BC	Total
Administrative Penalties	2	2	4
Formal Cautions	3	6	9
Successful Prosecutions	3	6	9

3.10 In 2014/15 a total of 189 investigations were completed.

3.11 Of these investigations where a customer is suspected of committing an offence they are interviewed under caution by officers. These interviews are digitally recorded interviews in accordance with the Police and Criminal Evidence Act 1984. The majority take place in the Council offices with many conducted in Police stations or other organisations with which we collaborate. Generally, those conducted in a Police station are after the customer has been arrested and a search of their premises has been conducted.

3.12 In 2014/15, a total of 348 referrals for investigation in respect of housing benefit were made. Of these, 187 were rejected as they failed their risk assessment. Failing a risk assessment can occur for a variety of reasons including something as simple as the person the allegation is made against not being in receipt of benefit. A referral breakdown of the major contributors is shown below;

Information Source	Three Rivers	Watford
Internal Council Departments	24	30
External sources including Police	18	28
National Fraud Initiative	Not Known	Not Known
Housing Benefit Matching Service (HBMS)	36	6
Fraud Hotline and anonymous letters	34	71
Department for Works and Pensions (DWP)	6	11
Website referral	21	42

3.13 In 2014/15 following investigations we identified and issued invoices for overpayments in respect of fraudulent claims for benefit as shown below. Also included are details referred to in the table as other overpayments identified through our investigations that relate to either the DWP or HMRC.

Benefit type	Three Rivers	Watford
Housing Benefit	111,000	78,500
Council Tax	14,500	20,000
Other overpayments	40,500	74,000
Total	166,000	172,500

3.14 The service continues to take part in various data-matching exercises. These include the National Fraud Initiative (NFI) and Housing Benefit Matching Service (HBMS). The NFI is an Audit Commission mandatory exercise that matches data within the councils and between participating bodies to prevent and detect fraud. The key strength of the NFI is that it brings together a wide range of organisations, working together to tackle fraud. Participants of the NFI include 1300 organisations that include for instance other local authorities, police authorities, NHS bodies etc. These matches are not just confined to benefit fraud. Examples of some matches are shown below.

Data Match	Possible fraud/ error
Housing benefit payments to payroll records	Claiming housing benefit by failing to disclose an income
Payroll records to records of failed asylum seekers and records of expired visas	Obtaining employment while not entitled to work in the UK
Council Tax records to electoral register	A council tax payer gets single person's discount and has not declared other persons living in the property
Payroll records to other payroll records	An employee is working for TRDC/WBC but has employment elsewhere that is not declared.

3.15 The Fraud Section continues to work collaboratively with many organisations including the DWP, the Police, Immigrations and Border agencies and other local authorities. It is vital in terms of being efficient to work jointly with other organisations and not in silos.

Tenancy Fraud

3.16 Tenancy Fraud is now continuing to be identified as an emerging risk and is now reported to be a major category of fraud loss by value in local government. Housing is an essential commodity and demand far exceeds supply. In 2013 the

Audit Commission estimated that tenancy fraud losses amounted to £1.8 billion a year. This figure included those properties owned and managed by Social Landlord providers. Making best use of available housing stock is paramount. Furthermore, the social value of housing to communities is considerable as families in temporary accommodation can often lead more transient lives which can lead to families unable to integrate into communities easily and can lead to less stable educational environments for their children. This has implications for social cohesion. It is estimated in our geographical location that a conservative estimate of 2% of properties are occupied illegally. This equates to 300 properties.

- 3.17 To date we have recovered 17 properties that have been occupied illegally. A total of 63 cases further cases remain under investigation.
- 3.18 The National Fraud Authority calculated the average cost of placing a family in temporary accommodation amounts to £18,000; multiplied by 17 properties amounts to a potential saving of £ 306,000.
- 3.19 As well as identifying properties occupied illegally, we have been developing strategies that will hopefully provide a legacy of good practice for this new initiative.
- 3.20 Tenancy Fraud workshops are being provided to registered housing providers. At these workshops specialist advice and case support is given to relevant front-line staff and neighbourhood officers.
- 3.21 Specialist tenancy fraud training has been developed and is being provided to local housing providers.
- 3.22 Desktop intelligence checks are being conducted when there is a request for any change in tenancy, for example, right to buy applications, mutual exchanges and joint to sole tenancy applications. These desk-top checks utilise the range of information and intelligence to which we have legal access. This follows the introduction of the Prevention of Social Housing Fraud Act 2013. This legislation provides local authorities only with specific powers to investigate and prosecute tenancy fraud.

Testimony from member of the Public

- 3.23 "I would like to pay an enormous tribute to Javier Garcia, your Tenancy fraud investigator, on behalf of my mother and local residents of the Kings Langley community. Although we would like to remain anonymous due to Mr Garcia's recent enquires into another property, we would like to say a big thank you for all

of his hard work that has enabled several properties to be recovered from tenancy thieves. At last something is being done about this, for many years we have complained about people abusing the system and individuals not living in their council flats, but finally it seems that our persistent complaints have been taken seriously.

My mother often sees Mr Garcia patrolling the local area, and it has definitely made a difference, I have only had one dealing with Mr Garcia however his attitude and dedication toward addressing fraud is very endearing.

On behalf of myself, my mother and all the residents a VERY big well done!

Would you please ensure that Mr Garcia is shown this email.

Yours sincerely

The concerned but much happier residents of Abbots Langley.”

Other Fraud

- 3.24 Blue Badge Fraud exercises continue to be held generally on a quarterly basis. They are normally conducted on a weekend, generally around Watford town centre which is identified as being the most affected. The exercises are conducted jointly with Hertfordshire Police. It is reported by the Audit Commission that potentially 20% of badges issued are misused. Whilst the loss in parking revenue may be assessed as quite small, the individual harm caused is significant. Fraudulent use of Blue Badges causes inconvenience and direct detriment by depriving an individual in genuine need and entitlement to disabled parking facilities. It may also have a reputational damage to the Council. The penalty if prosecuted for blue badge abuse generally is a level 3 fine for which the maximum penalty is £1,000. On each occasion this exercise has been conducted, blue badge misuse has been identified. Some drivers were cautioned whilst some badges were seized. Only the most serious cases are prosecuted. For the period 2014-15 we took forward to investigation thirteen cases, of which ten received a sanction, being either prosecution or a caution. To date we have a further five cases being investigated. The publicity and comments in the press

demonstrates the value of this work. The articles can be viewed at ;
<http://www.watfordobserver.co.uk/search/?search=blue+badge+fraud>

- 3.25 In 2013 as previously reported the enhanced vetting scheme was introduced. The scheme introduced a more stringent vetting process for all new staff. As a local authority with a large number of employees, we have a responsibility to prevent and eliminate fraud within the Council. One of the ways we can achieve this is by undertaking a more robust vetting of direct recruits and agency staff before they are appointed. In order for the Council to successfully prevent fraud, we must have effective policies and procedures that minimise the risk of appointing individuals with unsuitable backgrounds.
- 3.26 We work with all departments in both Councils to enhance their capability to carry out thorough intelligence checks when investigating areas of regulatory functions and assist in intelligence gathering and ID verification through the use of ID scan, a device which identifies fraudulent documents.
- 3.27 The section continues to investigate other matters including money laundering allegations primarily to do with council tax payments. We facilitate the lawful obtaining of communications data under the Regulatory Powers Act 2000 (Ripa). We have also conducted a variety of enquiries and provide advice on evidence gathering. We have conducted various enquiries/investigations internally.
- Single Fraud investigation Service.**
- 3.28 The Government's Autumn Statement in December 2013 confirmed the creation of a Single Fraud Investigation Service (SFIS) delivered through the Department for Work and Pensions (DWP). SFIS was launched with the DWP and implementation commenced in 2014. For Three Rivers and Watford Council we have an implementation date of December 2015. Only the transfer of housing benefit investigation is in scope.
- 3.29 Employees of Three Rivers DC, Watford staff having already transferred to Three Rivers under the lead authority model, who are assigned solely or primarily to this activity could be considered in scope for a Tupe-like transfer.
- 3.30 The Audit Commission's annual fraud report 'Protecting the Public Purse 2014' encourages Councils to prepare for the introduction of the Single Fraud Investigation Service by considering the impact that SFIS will have on their capacity to tackle non-benefit frauds. This will be achieved by retaining a capability to investigate non-benefit related fraud proportionate to the risks and

working, in partnership with others.

3.31 As a consequence this change will enable opportunities to build upon the experiences gained, strengthen our existing joint working relationships and develop new strategies to provide a robust and resilient fraud prevention, detection and investigation service working in non-benefit and corporate fraud. This includes areas such as business rates, blue badge, tenancy, housing waiting list, procurement and council tax discount/reduction/exemption fraud. It will provide opportunities for more data analytics including regular matching of data. Following a successful joint bid to the DCLG, we are also soon due to launch a fraud app through which customers will be able to contact us directly from their smart phones to report fraud.

3.32 Meetings are scheduled with the Director of Finance and Acting Head of Finance to discuss proposals. Meetings are also planned for the end of June 2015 with the DWP to discuss the transfer of residual housing benefit fraud.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Head of Finance comments that there are no financial implications in this report as expenditure is contained within existing budgets.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that there are no specific legal issues contained in this report.

4.3 **Equalities**

4.3.1 This is not a new policy.

4.4 **Potential Risks**

Potential Risk	Likelihood	Impact	Overall score
Transfer of all fraud staff to Sfis	2	4	8

4.5 **Staffing**

4.5.1 The consequences of not properly preparing for the introduction of the Single Fraud Investigation Service will impact on our capacity to tackle non-benefit frauds.

4.6 **Accommodation**

4.6.1 No Implications

4.7 **Community Safety**

4.7.1 No Implications

4.8 **Sustainability**

4.8.1 No Implications

Appendices

None

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.”

Protecting the public purse 2014 – link provided in body of the report.

File Reference

None

Report to: Audit Committee

Date of meeting: 30 June 2015

Report of: Nigel Pollard – Acting Head of Finance Shared Services

Title: Annual Governance Statement (AGS) 2014/15

1.0 **SUMMARY**

1.1 This report enables the Committee to agree the Annual Governance Statement (AGS) for inclusion in the Draft Statement of Accounts.

2.0 **RECOMMENDATIONS**

2.1 That, the Committee considers and approves the Annual Governance Statement attached as Appendix 1.

2.2 That, subject to any changes required prior to their signing, the AGS be included in the Statement of Accounts for 2014/15.

Contact Officer:

For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

3.0 DETAILS

- 3.1 *The Report of the Committee on the Financial Aspects of Corporate Governance* (the Cadbury Report 1992) identified three fundamental principles of corporate governance – openness, integrity and accountability.
- 3.2 The Committee on Standards in Public Life (the Nolan Committee 1995) stated that the principles of public life are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- 3.3 In 2001, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published *Corporate Governance in Local Government – A Keystone for Community Governance: Framework*. This set out best practice for authorities to develop their own locally adopted codes.
- 3.4 In June 2007, CIPFA and SOLACE published *Delivering Good Governance in Local Government: Framework*. This recommended that a review of the effectiveness of the system of internal control should be reported in an AGS. The Framework informed authorities in England that its provisions were mandatory from 2007/08.
- 3.5 In March 2010, CIPFA published an Application Note to the Framework dealing with the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)*. This extended the contents of the AGS to include a specific statement on whether the authority's financial management arrangements conform to the governance requirements of the CIPFA Statement, and where they do not, to explain why and how they deliver the same impact.
- 3.6 Regulation 4 of *The Accounts and Audit (England) Regulations 2011* requires the Council to:-
- Ensure that it has a sound system of internal control;
 - Conduct a review at least once a year of the effectiveness of its system of internal control;
 - Consider the findings of the review (either at a committee meeting or at Council) and, following that consideration, approve an AGS prepared in accordance with proper practices, and,

Ensure that the AGS accompanies the Statement of Accounts (amending the need to produce a Statement on Internal Control),

- 3.7 The *Code of Practice on Local Authority Accounting in the United Kingdom 2014/15* (CIPFA/LASAAC) states that the preparation of an AGS fulfils the statutory requirement for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control, and that authorities should include an AGS reporting on the review in its Statement of Accounts. It also says that:-

- The AGS should relate to the governance system as it applied during the financial year for the accounts that it accompanies.
- Significant events or developments relating to the governance system that occur between the year-end and the date on which the Statement of Accounts is signed by the responsible financial officer should be reported.
- Where an authority undertakes significant activities through group relationships, the review of the effectiveness of internal control should include the group activities.

- 3.11 It is important that there is corporate involvement in, and ownership of, the process for preparing the AGS. Assurances have been sought from all service heads and other managers. Leadership Team has considered and approved the AGS.
- 3.12 Each head of service assurance statement poses a number of questions concerning governance. The template is attached at Appendix 2. Heads of service were asked to indicate whether the matter has been fully addressed, partly addressed or not addressed at all.
- 3.13 In summary, heads of service and managers have indicated that every matter has been fully addressed with the following exception of compliance with the Council's Project Management Framework. However the framework and process has recently been refreshed through a newly established programme management board to ensure all large projects are managed consistently.
- 3.18 The AGS also takes into account the matters identified in the Internal Audit Annual Report for 2014/15.
- 3.19 In the SIAS Annual Report for 2014/15 (elsewhere on this Agenda), The Head of Assurance has provided an assurance opinion on corporate governance and risk management. This states the Council's corporate governance and risk management framework substantially complies with the best practice guidance on corporate governance issued by CIPFA/SOLACE. This conclusion is based primarily on the work undertaken by the Council and reported in its Annual Governance Statement for 2014/15 and the specific reviews of risk management and corporate governance carried out by SIAS over February and March 2015 both of which received an overall Full Assurance opinion.
- 3.20 The Head of Assurance is able to report a substantial level of conformance with the Public Sector Internal Audit Standards and considers the internal audit service to be effective. The exercise did not identify any significant deviations from Standards which warrant inclusion in the Council's Annual Governance Statement.
- 3.21 The proposed AGS for 2014/15 is attached at Appendix 1. It will need to include any significant events or developments relating to the governance system that occur between the year-end and the date on which the Statement of Accounts is

signed. These will be agreed with the Committee at the time.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 None Specific.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 None Specific.

4.3 **Equalities**

None Specific.

4.4 **Potential Risks**

The ongoing review of the Governance Statement is designed to minimise the risk of over-looking important issues. Failure to do so could lead to problems for the council, including financial loss, reputational risk and adverse comment from the external auditor.

Potential Risk	Likelihood	Impact	Overall score
Failure to correctly identify key issues	2	4	8

APPENDICES

- 1 Annual Governance Statement 2014/15
- 2 Assurance Statement Template

ANNUAL GOVERNANCE STATEMENT

1.0 Scope of Responsibility

- 1.1 Watford Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. A key aspect of this responsibility is the identification and management of risk.
- 1.2 Watford Borough Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/Solace Framework 'Delivering Good Governance in Local Government'. It is also in accordance with the requirements of the Accounts and Audit (England) Regulations 2011.
- 1.3 Underpinning the Governance Statement is a framework which ensures corporate ownership at the very highest levels of management and is dynamic in responding to all governance issues as they occur. A key component of the Governance framework is the underlying system of internal control which is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

2.0 Strategic Aims and Objectives

- 2.1 The governance framework enables the Council's key objectives to be met and these can be summarised as follows:

VISION:

A successful town in which people are proud to live, work, study and visit.

OUR OBJECTIVES:

- Making Watford a better place to live in
- To provide the strategic lead for Watford's sustainable economic growth
- Promoting an active, cohesive and well informed town
- Operating the Council efficiently and effectively

- 2.2 Underpinning these over arching priorities are a series of measurable (SMART) objectives so that every member of staff and our community can feel fully engaged in the process. The council also plays a major role in the Local Strategic Partnership, One Watford, which is made up of key stakeholders such as Hertfordshire County Council, Herts Valleys Clinical Commissioning Group, the Watford & West Herts Chamber of Commerce, Watford and Three Rivers Trust, Watford Community Housing Trust, and Hertfordshire Constabulary.

3.0 Decision Making Structures

- 3.1 Watford Borough Council has a directly elected Mayor, which means that the community elect the person to lead the council at four yearly intervals. The Mayor is supported by a Cabinet that plays a key role in determining the overall budget and policy framework of the Council. Each member of the Cabinet has a portfolio for which they are responsible and can make decisions within their area of responsibility.

ANNUAL GOVERNANCE STATEMENT

- 3.2 Watford Borough Council operates a Mayor and Cabinet model of governance under the Local Government Act 2000 this places total responsibility for those functions designated as Executive Functions into the hands of the directly elected Mayor. However full Council is responsible for setting the Council's budget and agreeing the key policy framework. The Council also has established an Overview and Scrutiny Committee, Budget Panel, Outsourced Services Scrutiny Panel and task groups to scrutinise the actions the Mayor and Cabinet and assist with policy development. In addition the Council has five further committees that cover non executive functions, these are Licensing, Development Management, Audit, Functions and Standards.
- 3.3 At an officer level, the senior management comprises the Managing Director and Heads of Service. Financial control will primarily be the responsibility of a shared Director of Finance with neighbouring Three Rivers District Council. This combined management comprises the Leadership Team who meet fortnightly to review and progress the key objectives of the council.
- 3.4 Overall financial control is monitored on a monthly basis by Leadership Team and the Budget Panel, and quarterly by Cabinet. Budget preparation is influenced by the Council's Medium Term Financial Strategy which forecasts budget pressures and available resources over a four year period. This MTFs is reported quarterly to Cabinet and Budget Panel where variations to the strategy are approved. The Council has the ultimate responsibility for approving the annual budget. The final accounts at the end of a financial year are subject to formal approval by the Audit Committee (but is also reported to Cabinet and Budget Panel).

4.0 The Governance Framework

- 4.1 The Council has a written constitution which identifies community focus, service delivery arrangements, structures and processes, risk management, internal control arrangements and standards of conduct. This sets out how the council takes decisions, roles and responsibilities of members and officers, codes of conduct and procedure rules and also sets out the rights of citizens.
- 4.2 Council, Cabinet and committee / scrutiny meetings are open to the public and written reports are available to the public through the council's website. Information is only treated as confidential when it is necessary to do so for legal / commercial reasons in accordance with the provisions of the Local Government Act 1972.
- 4.3 The Council publishes its Corporate Plan annually, which sets out key service improvement priorities for the medium term, with targets for performance and deadlines for achievement. This has been informed by public consultation on a range of topics, particularly around priority setting, and a detailed analysis of the Watford context based on information derived from sources such as Census 2011 and the Indices of Multiple Deprivation. Progress on the Plan is reported to the public through a quarterly magazine, About Watford, and includes an 'annual report' on the Council's achievements compared to its initial targets.
- 4.4 Councillors are assisted in their policy and decision-making roles by the advice of staff with suitable qualifications and experience, under the leadership of the Managing Director. All reports requiring a decision from members include comments on financial, legal, equalities, sustainability, community safety (as relevant) and other appropriate issues such as potential risks to non achievement, all of which ensures that comprehensive advice is provided prior to decisions being taken.

ANNUAL GOVERNANCE STATEMENT

- 4.5 The scrutiny function within a local authority provides a necessary check upon the role of the Executive and is a key component of corporate governance. At Watford it is co-ordinated through the Overview and Scrutiny Committee, which can review Cabinet decisions and service performance, the Council has set up an Outsourced Services Scrutiny Panel as a standing scrutiny panel to scrutinise the activities of functions undertaken by external providers on the council's behalf. In addition the Standards Committee considers member conduct and the Budget Panel considers financial issues in a non political forum. Finally, the Audit Committee reviews the overall governance arrangements including the service related control and risk management environment. The Audit Committee also considers the response to Freedom of Information requests, the Ombudsman's annual report, risk management, Regulation of Investigatory Powers Act as well as annual accounts and treasury management (investment) policies.
- 4.6 The Council's protocols and procedures are reviewed and updated on a regular basis for standing orders, financial regulations, a scheme of delegation and supporting procedure notes/ manuals clearly defining how decisions are taken and the process and controls required to manage risks. Compliance with established policies, procedures, laws and regulations is achieved through a combination of training events, written policy and procedural documentation, authorisation procedures, managerial supervision, review by internal and external audit and use of the disciplinary procedure where appropriate.
- 4.7 Codes of Conduct defining the standards of behaviour for members, staff, our partners and the community have been developed and communicated and are available on the Council's website. These include:
- Members Code of Conduct
 - Code of Conduct for staff
 - Anti fraud and corruption policy (including whistle blowing and anti bribery)
 - Money Laundering detection guidance
 - Members and officer protocols
 - Regular performance appraisals, linked to service and corporate objectives
 - Service standards that define the behaviour of officers
 - A Standards Committee which has a key role in promoting and maintaining high standards of conduct for members
 - Officers are subject to the standards of any professional bodies to which they belong
- 4.8 The Head of Democracy and Governance is the Council's Monitoring Officer and duties include: maintaining the council's Constitution; reporting on any potential or actual illegality or maladministration; and giving advice to the Mayor and councillors on the Constitution or issues of maladministration, financial impropriety or probity.
- 4.9 The Shared Director of Finance is the statutory Chief Finance Officer. Duties include: overall responsibility for financial administration; reporting on any actual or potential instances of illegality in expenditure, including unlawful loss or deficiency or illegal items of account; and giving advice to the council on financial planning.

ANNUAL GOVERNANCE STATEMENT

5.0 Performance Management

5.1 Performance management follows very much a 'cascade' principle. The Council approves its Corporate Plan annually (although it covers a rolling four year perspective) and highlights key aspirations and targets including a series of objectives to be achieved in the year ahead. This Corporate Plan then cascades down to individual services delivery plans, which in turn translates into team and individual work plans. Performance is monitored regularly by Leadership Team and on a quarterly basis through Heads of Service, Cabinet Members and Overview and Scrutiny Committee. Performance reviews also include consideration of complaints and progress against the Council's equalities agenda.

5.2 The Council keeps residents and stakeholders informed of its progress through a quarterly publication called '*About Watford*' which is delivered to every household and covers key issues, events and challenges. At the end of every financial year the Council also produce an Annual Report, '*Look Back*', which informs the community of progress in the achievement of the Corporate Plan.

6.0 Data Quality and Risk Management

6.1 The need to develop policies and guidance on data quality and assurance is essential in order to promote consistency and awareness across the organisation. To that end, the Council has a senior member of staff who acts as the Senior Information Risk Officer. Guidance documents include a Data Quality Policy; an Information Security Policy; a Data Asset Register: and management training modules all of which are on the intranet.

6.2 The governance framework is dependent upon the underlying system of internal control which is designed to manage risk to a reasonable level. The Council's approach to risk management is governed by its Risk Management Strategy which is updated annually and approved by Leadership Team and the Audit Committee. This Strategy underpins the Strategic Risk Register which was updated and approved by the Audit Committee in March 2015 and covers major issues that will affect the achievement of the council's key objectives. This Risk Register is at a strategic/high level and is complemented by detailed project and service area registers. This Strategic Risk Register is reviewed by the Risk Management and Business Continuity Steering Group which meets bi-monthly and ensures a consistent approach to risk management across the Council.

6.3 Business continuity and emergency planning are other key aspects within the corporate governance framework and again falls within the remit of the Risk Management corporate group.

6.4 The risk management section within the Partnership Framework has been revised and all committee reports contain a 'risk implications' section as an aid to decision taking. There is however a need to ensure an effective risk identification process occurs where the Council has outsourced the provision of services to a private sector partner.

7.0 Shared Services with Three Rivers District Council

7.1 Watford Borough Council has been a leading authority in developing a shared service for revenues, benefits, ICT, financial services, and human resources with Three Rivers District Council. Both councils also share the statutory post of Chief Financial Officer - the Shared Director of Finance.

ANNUAL GOVERNANCE STATEMENT

7.2 In 2013/14 the Governance arrangements for shared services were exercised through a Joint Committee. From April 2014, the Governance arrangements for shared services has changed. An agreement between Watford Borough Council and Three Rivers District Council has introduced a lead authority model. Watford Borough Council are responsible for providing the services of ICT and human resources whilst Three Rivers District Council are responsible for providing financial services and revenues & benefits. An executive board of senior management from both councils are responsible for these services. The role of the Board covers:

- Monitoring performance and dealing with complaints from either authority
- Resolving conflicts between competing interests amongst the authorities
- Reviewing the governance arrangements
- Dealing with matters referred up to it by the Operations Board
- Having overall supervision of the Shared Service
- Receiving annual reports on each service within the shared service.

8.0 Community Engagement

8.1 Corporate governance includes informing our community of the plans and aspirations of the council and is primarily communicated through its published Corporate Plan and the regular editions of 'About Watford'. The directly elected Mayor, Dorothy Thornhill MBE, takes the lead in ensuring there is open and effective community leadership and provides a focal point for individuals, communities, business and voluntary organisations to engage with the Council. The Mayor is also the Chair of the borough's Local Strategic Partnership, One Watford, which continues to lead on the successful delivery of the overall vision and objectives for the town and on effectively integrating partnership working and delivery.

8.2 The Council has established twelve neighbourhood forums, which mirror the borough's ward boundaries and each have a devolved budget of £2,500. These are organised and managed by the relevant local councillors as part of their commitment to community leadership and engagement.

8.3 The Council has established clear channels of communication with all sections of the community and other stakeholders. It provides citizens and business with information about the council and its spending through a leaflet that is distributed with council tax and business rate bills and the publication of a summary of its key financial information through the Council magazine 'About Watford'.

8.4 A range of consultation and engagement projects are undertaken annually. This includes a regular 'Community Survey' with the borough's Citizens' Panel, which covers a range of areas relating to the Council's services and activities, including how it spends its money and prioritises areas for focus and improvement. The Citizens Panel is refreshed regularly to ensure it is representative of the Watford community and was reviewed in 2014/15. Local residents are also invited to attend the Mayor's regular information seminars, which help build understanding across a range of areas including Council finances and the implications for future service delivery. The Watford Compact provides an agreement between the statutory and voluntary sectors in Watford to clarify and strengthen their relationship and to achieve better outcomes for individuals and for the Watford community.

ANNUAL GOVERNANCE STATEMENT

9.0 The Role of Audit and the Audit Committee

- 9.1 The governance framework and its compliance mechanisms must be distinguished from the role of audit which is to review the effectiveness of the compliance framework, not be a substitute for it.
- 9.2 The internal audit function is carried out, by the Shared Internal Audit Service (SIAS), a local internal audit partnership hosted by Hertfordshire County Council. This provides greater independence and resilience and a positive step in improving governance. Internal Audit carry out a programme of reviews during the year which are based upon a risk assessment including fraud risk. As part of these audits, any failures to comply with legislation, council policy and practice or best practice guidance issued by a relevant body is identified and reported. Circulation of reports to senior officers, reports to the Audit Committee and follow-up procedures ensure action is taken on priority improvements. Progress on implementing internal audit recommendations is reported in quarterly reviews to Audit Committee and to the Leadership Team.
- 9.3 External auditors, Grant Thornton, appointed by the Audit Commission, provide an external review function through the audit of the annual accounts, assessment of value for money, certification of grant claims and the periodic inspection of services such as revenues and benefits. The Annual Audit and Inspection Letter is circulated to all Members and formally reported to Cabinet and the Audit Committee.
- 9.4 The Audit Committee's terms of reference are consistent with best practice. The Committee approves the annual plan of internal audit, and receives the quarterly and annual reports of the Head of the Shared Internal Audit Service. It approves the Statement of Accounts, the annual governance statement and the review of the effectiveness of the internal audit system. It receives reports on risk management and reviews the operation of treasury management. It also received the annual letter from the Ombudsman and considers regular reports upon Freedom of Information requests, risk management and the Regulation of Investigatory Powers Act.

10.0 Review of Effectiveness

- 10.1 In accordance with recent external audit guidance, the review of the effectiveness of the governance framework will focus upon significant weaknesses and the 'big picture'. If issues have not been highlighted then that is because current governance arrangements have proved fit for purpose.
- 10.2 The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Shared Internal Audit Services annual report and also by comments made by the external auditors and other review agencies and inspectorates. The Mayor and Portfolio Holders maintain a continuous review of the Council's policies, activities and performance of officers both through quarterly reviews and on a day to day basis.

ANNUAL GOVERNANCE STATEMENT

10.3 The Annual Report of the Head of Assurance for the Shared Internal Audit Services has been reported to the Audit Committee at its meeting on 30 June 2015 and included the following statement . . . "In our opinion the corporate governance and risk management framework substantially complies with the best practice guidance on corporate governance issued by CIPFA/SOLACE. This conclusion is based primarily on the work undertaken by the Council and reported in its Annual Governance Statement for 2014/15; and, the specific reviews of Risk Management and Corporate Governance carried out by SIAS over February and March 2015 both of which received overall Full Assurance opinion."

The SIAS Annual Report provides a substantial assurance opinion on the adequacy and effectiveness of financial systems and a moderate assurance opinion on the adequacy and effectiveness of non financial systems in the internal control environment for the year ended 31 March 2015. There are no qualifications to this assurance.

11.0 Significant Governance Issues

The 'normal' running of Council business has and can be controlled through the governance framework detailed at sections 4 to 9 of this report. Specific issues identified within the 2014/15 Governance Statement are shown below:

No.	Issue	Action	Resolved	Lead	Update
1	The Disaster Recovery Plan is not current. The Council should take priority to ensure the kit list is updated and fit for purpose	The Council will ensure that the kit lists are updated and fit for purpose in conjunction with Capita who are responsible for Third party contracts for DR. Disaster Recovery and business continuity plans will be reviewed annually to ensure suitability, adequacy and effectiveness	X	Capita Account Director	This is scheduled to be completed in August 2015
2	The lack of an effective testing strategy for Disaster Recovery may mean that gaps and defects in the plan may not be identified	Once the kit lists are updated, DR tests will take place on critical systems and their key dependencies	X	Capita Account Director	This is scheduled to be completed in August 2015

ANNUAL GOVERNANCE STATEMENT

3	There is insufficient evidence from Capita Secure Information Solutions Ltd (CSIS) to support the closure of actions to address performance issues	The CSIS account Director will agree a clear formal process for completion and closure of incidents within their team and gain formal approval of this process from the Council	X	Capita Account Director	This is scheduled to be completed in September 2015
4	Key Performance Indicators (KPI's) and the inclusive Service Level Agreements are not being met, having been agreed by both parties and appropriate financial penalties Are not being enforced	Discussions between the Council and CSIS will take place once improvements have been observed with the delivery of ICT Shared Services. This should encompass the current KPI definitions and how they are measured with associated targets. This will include the amount of physical evidence deemed appropriate and sufficient to support closure of tickets	X	ICT Client Section Head	This is scheduled to be completed in August 2015

12.0 Statement from the Elected Mayor and the Managing Director

12.1 We propose over the coming year to keep a close focus upon the key governance issues identified as part of the 2014/2015 review and are satisfied that the identified actions and reporting mechanisms will ensure no adverse outcomes will occur. We will monitor their implementation and operation periodically during the year with a formal review as part of the 2014/2015 Annual Governance Statement.

Signed
Mayor

Date: 28 September 2015

Signed
Managing Director

Date: 28 September 2015

Senior Management Assurance Statement

It is essential that there is an effective framework in place to give sufficient and reliable assurance on the Council's stewardship and the management of the major risks to deliver an improved, cost-effective public service.

This statement is given in respect of the Council's Statement of Accounts for 2013/14.

I acknowledge my responsibility in maintaining and operating my Service in accordance with the Council's procedures and practices that uphold the internal control and assurance framework. The information provided in this statement is given to the best of my knowledge in connection with the functions for which I have been responsible during the financial year 2013/14, in respect of the internal control environment:

		Yes	No	Partly
1	The areas for which I am responsible make every effort to contribute to the mitigating actions contained within the Corporate Risk Register			
If Partly or No, please comment				

2	I am satisfied with the risk management arrangements within my Service in that risks have been identified, assessed and the controls in place to manage the risks have been operating effectively throughout the period under review.			
If Partly or No, please comment				

3	Staff within my Service involved with financial matters and contracts are familiar with and comply with Financial Procedure Rules and Contract Procedure Rules Management are fully aware of their responsibilities when authorising transactions and will be held accountable for their actions.			
If Partly or No, please comment				

		Yes	No	Partly
4	The operations of the key controls within my Service are monitored on a regular basis to ensure risk is mitigated where possible and key controls within core business are maintained.			
If Partly or No, please comment				

5	Any new system developments take account of the associated risks and internal controls as a key element of the implementation of the new system.			
If Partly or No, please comment				

6	I maintain adequate and up to date processes for staff to follow within my Service and staff are aware of Health & Safety policies, HR policies and the Local Code of Corporate Governance.			
If Partly or No, please comment				

7	All Audit Reports received from External and Internal Audit are considered in a timely manner. Management actively monitors and ensures action is taken to implement agreed recommendations to enhance the internal control environment.			
If Partly or No, please comment				

		Yes	No	Partly
8	Due consideration has been given to the risks and the need to protect basic financial controls when proposing savings and any consequential restructuring.			
If Partly or No, please comment				

9	All suspected cases of fraud or financial impropriety are referred promptly to the Fraud Manager. Investigations are undertaken in a robust manner, with sanctions consistently applied, that recognise the seriousness of the matter under investigation. All staff are aware of the Council's whistle blowing policy.			
If Partly or No, please comment				

10	Appropriate consideration of the risks associated with any partnership or collaborative activity have been determined before any agreement has been entered into by the Council.			
If Partly or No, please comment				

11	All projects follow the Council's Project Management Framework process, reducing the Council's risk profile by having a clear scope, delivering within the constraints of time, cost and quality, enabling proactive assessment and management of risk.			
If Partly or No, please comment				

Significant Issues

The following are recognised as significant issues which have occurred in 2013/14 and which may be considered appropriate for inclusion in the Council's Annual Governance Statement 2013/14.

Significant Issue	Action implemented/Proposed

Alternatively,

No significant issues identified

Please tick if appropriate

With the exception of the above, I am satisfied that the system of internal control in place within my Service is sufficient to manage the identified risks to an acceptable level.

Signed by	
Position	
Date	

Please return this certified statement, either in electronic format or hard copy to Alan Power, Head of Finance by Friday 28th March 2014

Report to: Audit Committee

Date of meeting: 30 June 2015

Report of: Lorretta Manhertz – Finance Officer

Title: Treasury Management

1.0 **SUMMARY**

1.1 This report presents to members the Annual Treasury Management Report and Prudential Indicators for 2014/15.

2.0 **RECOMMENDATIONS**

2.1 That this report be noted.

Contact Officer:

For further information on this report please contact: -
Lorretta Manhertz - Finance Officer
telephone extension: 01923 72(7197)
email: lorretta.manhertz@threeivers.gov.uk

Report approved by: Nigel Pollard, Acting Head of Finance

3.0 **DETAILS**

- 3.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as: “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 3.2 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities and complies with the Local Government Act 2003.
- 3.3 Attached at Appendix 1 is the Annual Treasury Management Report and Prudential Indicators for 2014/15. The report provides details of actual prudential and treasury indicators and actual treasury operations during 2014/15 compared to the estimates within the strategy. The report is made in line with the Council’s approved policy on Treasury Management.
- 3.4 During 2014/15, the Council complied with its legislative and regulatory requirements. The Director of Finance confirms that the statutory borrowing limit (the authorised limit) was not breached.
- 3.5 The financial year 2014/15 continued the challenge of low investment returns and continuing risk.
- 3.6 The Director of Finance confirms that borrowing was undertaken during the year where, as part of the Health Campus project, the council borrowed on behalf of the LABVI, £6.0m from the Growing Places Fund. At 31 March 2015, the Council had £4.9m external debt as it had paid £1.1m to the LABV. Its investments totalled £33.100m (£27.496m at 31 March 2014).
- 3.7 The report contains:
- Capital activity during the year;
 - Reporting of the required prudential and treasury indicators;
 - Impact of this activity on the Council’s underlying indebtedness (the Capital Financing Requirement);
 - Overall treasury position and the impact on investment balances;
 - Summary of the economy and interest rates;
 - Investment Rates in 2014/15;
 - Investment Outturn for 2014/15.

4.0 **IMPLICATIONS**

4.1 **Financial**

- 4.1.1 None specific.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 It is a statutory requirement that the Treasury Management Strategy and Treasury Management Practices are reviewed annually. The report meets the requirement of CIPFA's Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities and complies with the Local Government Act 2003.

4.3 **Equalities**

None Specific.

4.4 **Potential Risks**

The subject of this report is covered by the Finance (Shared Services) Service Plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

Background Papers:

UK Economic Forecasts provided by Capita Asset Services;
CIPFA Prudential Code for Capital Finance in Local Authorities;
CIPFA Treasury Management in the Public Services;
Treasury Management Strategy 2014/15

APPENDICES

Appendix 1 Annual Report on the Treasury Management Service 2014/15
(Incorporating Outturn Prudential Indicators).

ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE 2014/15 (INCORPORATING OUTTURN PRUDENTIAL INDICATORS)

1. The Council's Capital Activity During 2014/15

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
- The Council did not borrow during 2014/15

2. Reporting of the Required Prudential and Treasury Indicators

- During 2014/15, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual Prudential and Treasury Indicators	2013/14 Actual	2014/15 Actual
Actual Capital Expenditure	12.552m	£9.503m
Total Capital Financing Requirement:	£2.601m	£2.000m
External Debt	£6.000m	£4.900m
Investments – Under 1 Year	£27.496m	£33.100m

The external debt relates to the Growing Places Funding from LEP (Local Enterprise Partnership) was received in July 2013 and is due to be repaid in July 2018. The money is being paid over to the LABV (Local Asset Backed Vehicle). Growing Places Funding that has not been transferred to the LABV is invested with the Government's DMO (Debt Management Office) for security.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

Actual Capital Expenditure and Financing	2013/14 Actual £000	2014/15 Original Budget £000	2014/15 Latest Budget £000	2014/15 Actual £000
Capital Expenditure	12,552	18,421	15,149	9,503
Total Capital Expenditure				
Resourced by:				
• Capital Receipts	7,291	11,542	9,433	5,292
• Capital Grants	3,610	2,642	2,674	1,941
• Reserves	1,651	4,237	3,042	2,270
Unfinanced Capital Expenditure	0	0	0	0

3. Impact of This Activity on the Council's Underlying Indebtedness (the Capital Financing Requirement)

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2014/15 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

The Council's CFR for the year was zero. This includes leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract (if applicable).

The borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

The authorised limit - the authorised limit is the "affordable borrowing limit" required by section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2014/15 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Gross Borrowing Within Authorised Limit	2013/14 Actual	2014/15 Actual
Authorised Limit	£13m	£13m
Operational Boundary	£10m	£10m
Borrowing Position	£6m	£4.9m
Financing Costs as a Proportion of Net Revenue Stream (Interest over net cost of services)	-0.78%	-0.73%

4. Overall Treasury Position and the Impact on Investment Balances

The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2014/15 the Council's treasury position was as follows:

Treasury Position	31 March 2014 Principal	Rate/ Return	31 March 2015 Principal	Rate/ Return
Total Debt	£6.000m		£4.900m	
CFR	£2.601m		£2.000m	
Investments - in House	£27.496m	0.58%	£33.100m	0.68%
Total Investments	£33.496m	0.58%	£40.000m	0.68%

The maturity structure of the investment portfolio was all under one year.

The exposure to fixed and variable rates was as follows:

Exposure to Fixed and Variable Rates	31 March 2014 Actual	31 March 2015 Actual
Fixed Rate (Principal or Interest)	£14.000m	£20.100m
Variable Rate (Principal or Interest)	£19.496m	£13.000m

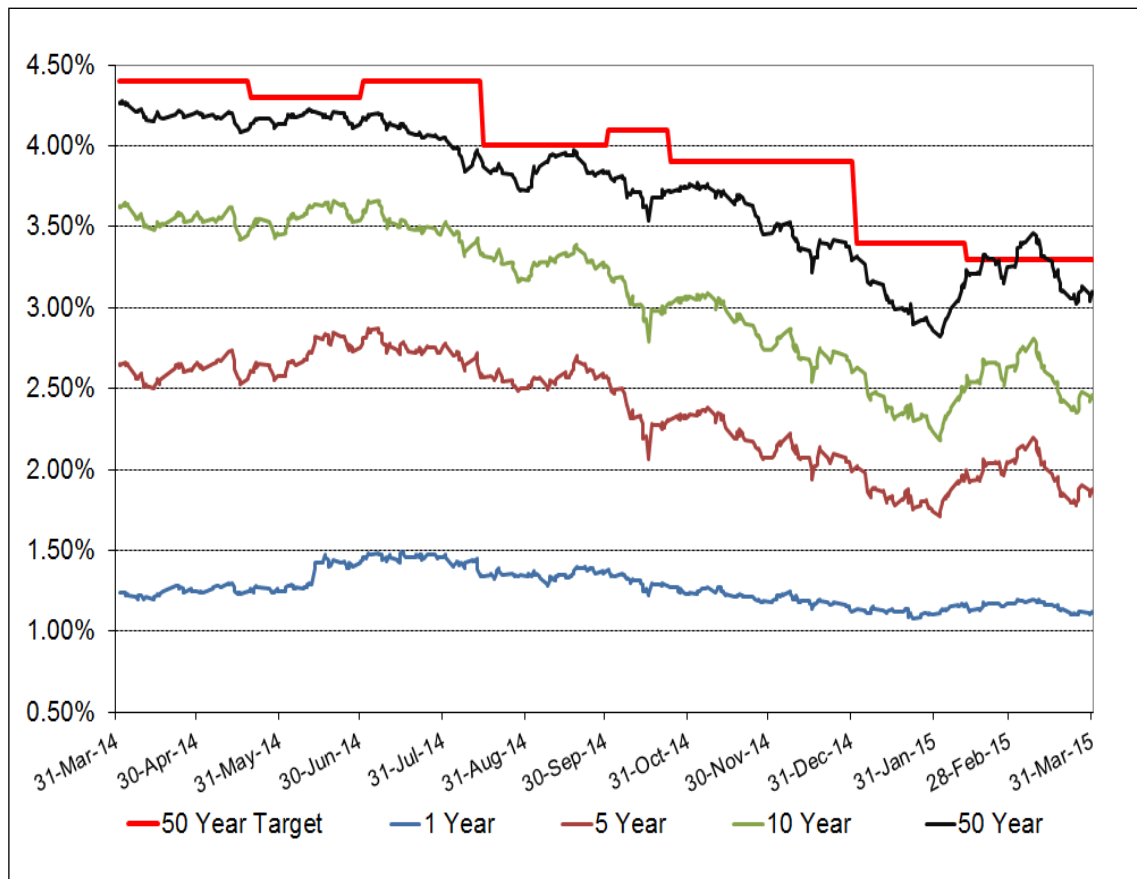
5. The Economy and Interest Rates – Capita Asset Services Report

The original market expectation at the beginning of 2014/15 was for the first increase in Bank Rate to occur in quarter 1 2015 as the unemployment rate had fallen much faster than expected through the Bank of England's initial forward guidance target of 7%. In May, however, the Bank revised its forward guidance. A combination of very weak pay rises and inflation above the rate of pay rises meant that consumer disposable income was still being eroded and in August the Bank halved its forecast for pay inflation in 2014 from 2.5% to 1.25%. Expectations for the first increase in Bank Rate therefore started to recede as growth was still heavily dependent on buoyant consumer demand. During the second half of 2014 financial markets were caught out by a halving of the oil price and the collapse of the peg between the Swiss franc and the euro. Fears also increased considerably that the ECB was going to do too little too late to ward off the threat of deflation and recession in the Eurozone. In mid-October, financial markets had a major panic for about a week. By the end of 2014, it was clear that inflation in the UK was going to head towards zero in 2015 and possibly even turn negative. In turn, this made it clear that the MPC would have great difficulty in starting to raise Bank Rate in 2015 while inflation was around zero and so market expectations for the first increase receded back to around quarter 3 of 2016.

Gilt yields were on a falling trend for much of the last eight months of 2014/15 but were then pulled in different directions by increasing fears after the anti-austerity parties won power in Greece in January; developments since then have increased fears that Greece could be heading for an exit from the euro. While the direct effects of this would be manageable by the EU and ECB, it is very hard to quantify quite what the potential knock on effects would be on other countries in the Eurozone once the so called impossibility of a country leaving the EZ had been disproved.

6. Borrowing Rates in 2014/15 – Capita Asset Services Report

PWLB borrowing rates - the graphs and table for PWLB certainty maturity rates below, show, for a selection of maturity periods, the high and low points in rates, the average rates, spreads and individual rates at the start and the end of the financial year.



7. Investment Rates in 2014/15 – Capita Asset Services Report

Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for six years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2015 but then moved back to around quarter 3 2016 by the end of the year.

8. Investment Outturn for 2014/15

Investment Policy – the Council's investment policy is governed by CLG guidance, which was implemented in the annual investment strategy approved by the Council on 29 January 2014. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies.

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council's longer term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations. The Council's core cash resources comprised as follows:-

Balance Sheet Resources	31 March 2014	31 March 2015
General Fund	£0.500m	TBC
Earmarked Reserves	£15.090m	TBC
Usable Capital Receipts	£13.420m	TBC
Total	£29.010m	£0.0m

Investments Held by the Council - the Council maintained an average balance of £30.298m in 2014/15 of internally managed funds with an average rate of return of 0.61%.

Report to: Audit Committee

Date of meeting: 30 June 2015

Report of: Nigel Pollard – Acting Head of Finance Shared Services

Title: Draft Statement Of Accounts For 2014/15

1.0 **SUMMARY**

1.1 This report allows the Committee to consider the Draft Statement of Accounts for 2014/15.

2.0 **RECOMMENDATIONS**

2.1 That the Committee seeks any clarification it needs concerning the Draft Statement of Accounts for 2014/15,

That the Committee confirms that it is satisfied that the accounting policies adopted are the most appropriate.

Contact Officer:

For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
Telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

3.0 **DETAILS**

- 3.1 The Accounts and Audit (England) Regulations 2011 introduced a more sensible approach to auditing and approving the annual statement of accounts. Rather than the Committee approving the Statement subject to audit prior to 30 June, and receiving the auditor's report before the end of September, with the possibility of having to then re-approve the Statement, the regulations now state that whilst the accounts still have to be completed by 30 June, they are not approved by members before they have been audited. This allows amendments to be made and the auditor's report to be taken into account before approval.
- 3.2 The Auditor's 'Report to those charged with Governance' will be considered by the Committee on 28 September 2015.
- 3.3 The Council's Draft Statement of Accounts for 2014/2015 will be circulated separately.
- 3.4 The purpose of the Statement of Accounts is to give interested parties an understanding of the Council's financial position. It also provides an opportunity to compare how the Council performed financially against its original plan published when setting the budgets in January 2014. Members are referred to the Foreword to the Statement of Accounts.
- 3.5 The Financial Statements have been prepared under International Financial Reporting Standards (IFRS), a statutory accounting framework which has replaced the United Kingdom Generally Accepted Accounting Principles (UK GAAP). The Chartered Institute of Public Finance and Accountancy produces a Code of Practice on Local Authority Accounting which reflects the statutory requirements and has been followed in preparing the financial statements.
- 3.6 A draft Annual Governance Statement (AGS) is considered elsewhere on this agenda and will be incorporated into the Statement for final approval. This Committee is monitoring progress on the system of internal control and the action plans deriving from the AGS.
- 3.7 The accounting statements essentially summarise the cost of providing services during the year, balances held at the 31 March 2015 with supporting information in Notes to the Statements. To assist the scrutiny function of the Statement of Accounts, Members are referred to the Explanatory Foreword. The Foreword reports the statutory accounting statements in a format that Members will be familiar with from monthly reporting during the year. This includes the Revenue and Capital Plans for the year and allows comparison with the outturn and provides analysis for the key variances during the year
- 3.8 This recommendation allows the Committee to ask questions about the Draft Statement of Accounts for 2014/15 prior to their approval in September.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The recommendations in this report are within the Council's agreed policy and budgets. The out-turn figures for 2014/15 will be reviewed to establish on-going implications on the three year medium term financial plan.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Accounts and Audit Regulations 2011 state the responsible financial officer of a larger relevant body must, no later than 30th June immediately following the end of a year, sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year.

4.3 **Equalities**

None Specific.

4.4 **Potential Risks**

There are no risks associated with the decisions members are being asked to make.

APPENDICES

Appendix 1 Draft Statement of Accounts 2014/15 (circulated separately)

Agenda Item 15

Report to: Audit Committee

Date of meeting: 30 June 2015

Report of: Acting Head of Finance Shared Services

Title: Committee's Work Programme

1.0 **SUMMARY**

1.1 To review and make necessary changes to the Audit Committee's Work Programme

2.0 **RECOMMENDATIONS**

2.1 That the Committee considers and makes necessary changes to its Work Programme.

Contact Officer:

For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
Telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

3.0 **DETAILS**

3.1 The work programme is presented at each meeting of the Committee to enable any changes to be made and to provide Members with updated information on future meetings:-

Date	Reports
28 September 2015	<ul style="list-style-type: none">▪ External Auditors Report to Those Charged with Governance and Approval of the 2014/15 Statement of Accounts▪ SIAS Board Annual Report 2014/15 Standing Items
7 December 2015	<ul style="list-style-type: none">▪ External Auditor's Annual Letter▪ External Auditor's Update▪ FOI update▪ Treasury Management 2015/16 Mid-Year Update Standing Items

Standing items are: -

- Internal Audit Progress Report
- External Audit Progress Report – Recommendations
- Annual Governance Statement Progress Report
- Committee's Work Programme

3.2 Attached at Appendix 1 is a list of topics that can be scheduled for discussion as part of the Committee's Agenda business

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 None Specific.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 None Specific.

4.3 **Equalities**

4.3.1 None Specific.

4.4 **Potential Risks**

4.4.1 There are no risks associated with the decisions members are being asked to make.

The table below contains a list of proposed discussion topics for the Audit Committee and offers the opportunity to express an interest in each topic.

Topic	Led by
Audit Committee effectiveness	SIAS
Navigating SIAS audit reports	SIAS
The role of the Audit Committee in corporate governance	Governance Officer / SIAS
The role of the Audit Committee in risk management	Risk Manager / SIAS
The role of the Audit Committee with the work of external audit	External Audit
Statement of Accounts for Audit Committees	Finance
Anti-Fraud and Corruption	Anti-Fraud Team
Emerging Risks	SIAS
Treasury Management (where relevant)	Treasury Manager
Oversight of Freedom of Information (where relevant)	FOI Officer
About SIAS	SIAS

Each of the above topics could be covered as a high level 'lite bite' (15 to 30 minutes) or as an extended session (45minutes to 1 hour max) prior to the commencement of each Audit Committee. The latter may involve merging some of the proposed topics.

Shorter sessions are a popular choice for Members pressed for time and not wishing to be overwhelmed by detail.