

Agenda

Audit Committee

Wednesday, 6 December 2023 at 7.30 pm

New Council Chamber, Town Hall, Reigate



This meeting will take place in the Town Hall, Castlefield Road, Reigate. Members of the public, Officers and Visiting Members may attend remotely or in person.



Members of the public may observe the proceedings live on the Council's [website](#).

Members:

F. Kelly (Chair)

B. Green

J. S. Bray

G. Buttironi

V. Chester

Vacancy (Independent Member)

Substitutes:

Conservatives:

K. Fairhurst and K. Sachdeva

Residents Group:

G. Adamson and N. D. Harrison

Green Party:

J. C. S. Essex and D. Torra

Liberal Democrats

Mari Roberts-Wood
Managing Director

For enquiries regarding this agenda;

Contact: 01737 276182

Email: democratic@reigate-banstead.gov.uk

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Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

- 1. Minutes** (Pages 5 - 12)
To confirm as a correct record the Minutes of the previous meeting.
 - 2. Apologies for Absence and Substitutions**
To receive any apologies for absence and notification of substitutes in accordance with the Constitution.
 - 3. Declaration of Interest**
To receive any declarations of interest.
 - 4. Risk management - Quarter 2 2023/24** (Pages 13 - 36)
To note the Quarter 2 2023/24 update on risk management provided in the report and make any observations to the Executive.
 - 5. Internal audit - Quarter 2 2023/24 progress report** (Pages 37 - 62)
 - i) That the Audit Committee note the Q2 2023/24 internal audit progress report available at Annex 1; and
 - ii) That the Audit Committee make any comments and/or observations on the report to the Council's Chief Finance Officer.
 - 6. Review of the Code of Corporate Governance** (Pages 63 - 90)
To note the Code of Corporate Governance at Annex 1.
 - 7. Audit Work Programme and Schedule 2023/24 and Action Tracker** (Pages 91 - 96)
To discuss and agree any changes to the schedule for Audit Committee's Work Programme 2023/24 and note the Action Tracker.
 - 8. Any Other Urgent Business**
To consider any item(s) which, in the opinion of the Chair, should be considered as a matter of urgency – Local Government Act 1972, Section 100b (4)(b).
- Note: Urgent business must be submitted in writing but may be supplemented by an oral report.**

9. Exempt Business

RECOMMENDED that members of the Press and public be excluded from the meeting for part of items 4 and 5 of business under Section 100A(4) of the Local Government Act 1972 on the grounds that:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.



Our meetings

As we would all appreciate, our meetings will be conducted in a spirit of mutual respect and trust, working together for the benefit of our Community and the Council, and in accordance with our Member Code of Conduct. Courtesy will be shown to all those taking part.



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Notice is given of the intention to hold any part of this meeting in private for consideration of any reports containing "exempt" information, which will be marked accordingly.

Minutes of a meeting of the **Audit Committee** held at the **New Council Chamber - Town Hall, Reigate** on **Wednesday, 6 September 2023** at **7.30 pm**.

Present: Councillors F. Kelly (Chair); B. Green (Vice-Chair), J. S. Bray and V. Chester

Attended remotely: Councillor G. Buttironi

Visiting Members present: J. C. S. Essex

20 Minutes

The minutes from the meeting held on 19 July 2023 were **APPROVED**.

21 Apologies for Absence and Substitutions

There were no apologies for absence. Councillor Buttironi attended the meeting virtually and would therefore be unable to vote.

22 Declaration of Interest

There were none.

23 Risk management - Quarter 1 2023/24

Councillor J King, Executive Member for Corporate Policy and Resources, provided a short update from his portfolio for Committee members, stating that the team had, in recent months, been implementing the Council's new risk management strategy, which was approved at Full Council in March 2023. He highlighted that the risk register template looked slightly different this quarter as a result of the new strategy.

It was explained that the controls and mitigations section showed the Committee what action had been taken already to reduce the likelihood and impact of the risk, as well as the actions that were still ongoing to bring the risks, as far as possible, to an acceptable level.

This was complemented by the risk register now setting out the inherent, current and target risk scores. The target risk score defined where the Council aimed to manage the risk to, reflecting the Council's risk appetite.

A new table showing overall risk scoring over time was also now included in the risk register.

Further developments were highlighted which were relevant to the Council's strategic risks that had taken place since the end of quarter 1:

Agenda Item 1

Audit Committee, Wednesday, 6th September, 2023

- **SR1 – financial sustainability.** The Medium-Term Financial Plan for 2024/25 to 2027/28 was reported to the Executive and Full Council in July. This sets out the background and context for the Council's budgeting for 2024/25 onwards. The report noted that the Council was facing a challenging financial future. While reserves remained buoyant there was an underlying budget gap that must be addressed, through reducing costs and/or generating new sustainable sources of income.
- **SR9 – Gatwick Airport.** The Airport had now applied for a Development Consent Order for the conversion of the emergency runway into a second runway. The Council was working closely with adjoining authorities and would engage fully in the examination process.

The Head of Corporate Policy, Projects and Performance introduced the report and provided members with an update on risk management in Quarter 1 2023/24.

In quarter 1 no new strategic risks were identified and no strategic risks were recommended for closure.

As well as receiving an update on strategic risks, the Committee was provided the Committee with updates on red rated operational risks.

At the end of quarter 1 there was one red rated operational risk and this was provided in the part 2 exempt annex.

Following this meeting this report would be considered by the Executive on 14th September 2023.

In response to a member question, it was noted that the same risks were being reported as in the previous quarter.

In respect of SR1, Financial Sustainability, it was questioned how the Council planned to mitigate against the potential funding shortfall. The Chief Finance Officer made reference to the background reports that had been shared in advance of the meeting, including the latest Medium-Term Financial Strategy that was reported to Executive in July 2023. Without any mitigation measures there would be a potential £2 million revenue budget shortfall in 2024/25. However, options for reducing the expenditure base and/or increasing income streams were currently being explored as part of the annual budget setting process. The forecast shortfall was based on a number of assumptions that would be refined over time, and the outcome would be to present a balanced budget for approval by Council in February 2024.

A written response would be provided by the Head of Community Partnerships, following the meeting, to respond to the questions relating to SR3, Challenging economic conditions for residents and businesses:

- In respect of partner referrals, who was the Council taking referrals from?
- How did the Council know that funds were being allocated to the most appropriate bodies? and
- Who was monitoring the referrals?

RESOLVED that the Audit Committee notes the Q1 2023/24 update on risk management provided in the report and makes any observations to the Executive.

24 Internal audit - 2022/23 annual report and opinion

Natalie Jerams, Deputy Head of Southern Internal Audit Partnership (SIAP), explained the internal audit process and approach to providing an assurance opinion. The overall assurance opinion was reasonable. They identified that in giving the overall annual opinion, assurance can never be absolute and therefore, only reasonable assurance could be provided and that there were no major weaknesses in the processes reviewed.

The annual report supported the preparation of the Council's annual governance statement and within the paper members could see how the plan was brought together for 2022/23 as a risk-based plan. The Committee had been kept up to date throughout the year via progress reports and on any adjustments to the original 2022/23 plan.

There were four full reports that SIAP highlighted in terms of areas for improvement, these related to three opinions with limited assurance and one with a no assurance opinion.

With regards to management actions, SIAP always followed these through to completion, additionally SIAP would be re-reviewing those audits that received either limited or no assurance opinions as part of its 2024/25 planning and beyond.

Annex 1 of the report provided the Committee with a breakdown of how the assurance opinions had been spread across the 15 reviews for the year.

SIAP had received an External Quality Assessment and it was noted that they had conformed with all relevant, associated elements.

Officers were thanked for their assistance and cooperation whilst undertaking the audit reviews.

In response to a member question, it was explained all volunteers that worked with the Intervention Service had valid DBS certificates. The vast majority of volunteers were associated with community centres, the Harlequin Theatre and Greenspaces. The Council was currently mapping where all the volunteers were and would consider which type of DBS each volunteer required. Those that were considered high priority would have their DBS checks undertaken straight away and the turnaround for DBS checks was currently 2 weeks. As part of current mitigation, volunteers without a DBS check for their role would not be left alone with vulnerable people. The timeline for this process was outlined.

It was explained that the introduction of additional formality into existing volunteer practices could deter some volunteers. This was accounted for within the risk register. The Council wanted to encourage volunteers and there was good network here, however safety was paramount and as part of this, requesting DBS checks was non-negotiable. It was noted that no incident led to the Council requesting this audit and that it had been requested.

The Head of Community Partnership confirmed that the lessons learnt from this audit could be passed on to outside bodies such as VARB, and, in response to a request from the Committee, agreed to share them with the voluntary and community sector.

In respect of the Health and Safety Governance audit, it was explained that this review solely considered governance such as record keeping for example and had looked at elements such as the Health and Safety working group disruption during Covid. There was no risk identified in terms of practical health and safety.

All audits that had received a limited or no assurance opinion had been noted for inclusion in the internal audit plan for 2024/25.

Agenda Item 1

Audit Committee, Wednesday, 6th September, 2023

RESOLVED that:

- i) the Audit Committee notes the annual internal audit report and opinion available at annex 1, and the management responses available at annex 2;
- ii) That the Council's Chief Finance Office notes any comments and/or observations made by the Committee.

25 Internal audit - Quarter 1 2023/24 progress report

Natalie Jerams, Deputy Head of Southern Internal Audit Partnership (SIAP), explained that the format of the quarter 1 report followed the same format as per reports presented at previous Audit Committee meetings.

The performance dashboard was shown on page 79 of the report, with 6% of audits completed to date and 18% were work in progress. Page 80 of the report showed that there were currently 9 outstanding medium priority management actions and 4 outstanding high priority management actions; details of revised management action dates were shown within Annex 2 of the report.

It was noted that two audits had received a limited assurance opinion, these were regarding Health and Safety Governance and Income Collection. There was also an audit regarding the Use of Volunteers which had received a no assurance opinion.

The quarter 1 2023/24 audits were well underway and two reviews from 2022/23 were now coming to a conclusion. There had been no adjustments to the plan to date, however a review regarding the Homes England Grant had been added to the plan.

RESOLVED that:

- i) The Audit Committee notes the quarter 1 2023/24 internal audit progress report available at Annex 1; and
- ii) That the Council's Chief Finance Office notes any comments and/or observations made by the Committee.

26 Audit Work Programme and Schedule 2023/24 and Action Tracker

The Clerk explained that the work programme set out the intended work to be carried out by the Committee over the coming municipal year. This was a live document and was subject to change according to requirements and availability of information. The action tracker gave an overview of the status of the actions that were requested at the previous meeting.

RESOLVED that the work programme be noted.

27 Any Other Urgent Business

There was none.

28 Exempt Business

RESOLVED that members of the press and public be excluded from the meeting for part of agenda items 4 (Risk Management - Quarter 1 2023/24) and 6 (Internal audit - Quarter 1 2023/24 progress report) under Section 100A(4) of the Local Government Act 1972 on the grounds that: It involves the likely disclosure of exempt information as defined in paragraphs 3 and 7 of Part 1 of Schedule 12A of the Act.

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

The meeting finished at 8.17 pm

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Signed off by	Head of Corporate Policy, Projects and Performance
Author	Luke Harvey, Project & Performance Team Leader
Telephone	Tel: 01737 276519
Email	Luke.Harvey@reigate-banstead.gov.uk
To	Audit Committee Executive
Date	Audit Committee: Wednesday, 6 December 2023 Executive: Thursday, 14 December 2023
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Risk management - Q2 2023/24
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Recommendations
<p>That the Audit Committee:</p> <p>(i) Note the Q2 2023/24 update on risk management provided in the report and make any observations to the Executive.</p> <p>That the Executive:</p> <p>(i) Notes the Q2 2023/24 update on risk management provided in the report.</p>
Reasons for Recommendations
The Audit Committee and the Executive’s constitutional responsibilities require the regular receipt of updates on risk management.
Executive Summary
This report provides an update on risk management in Q2 2023/24. Additional detail is provided in the report as well as in the supporting annexes.

Agenda Item 4

The Audit Committee and Executive have the authority to approve their respective recommendations.

Statutory Powers

1. The Council holds various statutory responsibilities for ensuring that its business is conducted in accordance with the law and that public money is safeguarded, accounted for, and is used economically and effectively.
2. The Council also has a duty under the Local Government Act (1999) to put in place proper arrangements for the governance of its affairs. The discharge of this responsibility includes arrangements for managing risk.
3. The Council's Code of Corporate Governance outlines these core governance principles; compliance with the code is reported each year via the Annual Governance Statement.

Background

4. Reigate and Banstead Borough Council recognises that risk management is of fundamental importance to effective corporate governance, leadership and the direction, control and management of the organisation. Effective risk management is an integral part of all Council activities and the Council is committed to ensuring that risk is considered in all aspects of informed decision making.
5. The risk management strategy sets out how the Council identifies, assesses, manages and reports on the risks that it faces in delivering its objectives.
6. The Council maintains two corporate level risk registers: strategic and operational risks. Strategic risks are risks that, should they materialise, could have a negative impact on the Council's medium to long term objectives and priorities as set out in the Corporate Plan or other corporate level policies and strategies, including the Medium-Term Financial Plan (MTFP).
7. Operational risks are risks that are encountered in the delivery of services and which affect service objectives. These risks are ordinarily managed as part of the usual course of management. However, if the operational risk cannot be managed within the service or if it is outside of the Council's risk appetite, then it should be considered for inclusion in the operational risk register.
8. The Audit Committee has a constitutional responsibility to provide independent assurance to the Council on the adequacy of the risk management framework and internal control environment.
9. In so doing, the Committee receives quarterly updates on risk management. The Committee reviews the strategic risk register and any red rated operational risks.

Key Information

Q2 2023/24 risk management update

10. The Q2 strategic risk register is available at annex 1 of this report.

11. In summary, in Q2 no new strategic risks have been identified and no strategic risks are recommended for closure. Strategic risk scores remain as per Q1.

Red rated operational risk

12. In Q2 there was one RED rated operational risk, the detail of which is set out in the part 2 exempt annex, available at annex 2.

Audit Committee observations to the Executive

13. As the agenda for the meeting where the Executive considers risk management is published before the Audit Committee meets, any observations made by the Audit Committee will be tabled at the meeting of the Executive.

Options

14. The Audit Committee has two options:
- Option 1 – note this report and make any observations to the Executive.
 - Option 2 – note this report and make no observations to the Executive.
15. The Executive has one option:
- Option 1 – note this report, consider any observations made by the Audit Committee and, if necessary, make any observations to the Head of Corporate Policy, Projects and Performance.

Legal Implications

16. There are no legal implications arising from this report.

Financial Implications

17. Financial risks are considered when preparing the Medium-Term Financial Plan, Capital Investment Strategy, Revenue Budget, and Capital Programme each year.
18. There are no additional financial implications arising from this report.

Equalities Implications

19. There are no equalities implications arising from this report.

Communication Implications

20. There are no communications implications arising from this report.

Environmental Sustainability Implications

21. There are no environmental sustainability implications arising from this report.

Risk Management Considerations

22. The Council's risk registers inform the development of the risk based internal audit plan, progress against which is reported separately to the Audit Committee.

Agenda Item 4

23. The Council's approach to managing risk is a core component of the Code of Corporate Governance.

Procurement/Contract Management and Subsidy Considerations

24. There are no procurement, contract management and/or subsidy considerations arising from this report.

Other Implications

25. There are no other implications arising from this report.

Consultation

26. The risk registers have been considered by the Council's Corporate Governance Group as part of its governance role.

Policy Framework

27. The Council's risk management strategy and methodology provides additional information on how the Council manages risk.

Background Papers

1. Risk management strategy: https://www.reigate-banstead.gov.uk/info/20090/council_policy/929/risk_management

Risk management

Strategic risk register

Quarter 2 – April to June 2023

Strategic risks

Strategic risks are risks that could have a negative impact on the Council's medium to long term objectives and priorities as set out in the Corporate Plan or other corporate level policies and strategies, including the Medium-Term Financial Plan (MTFP). Strategic risks typically originate from the environment within which the Council operates, though may also stem from an internal source – such as major project – if the impact merits its categorisation as a strategic risk.

Members of the Council's Senior Management Team and Executive members have shared responsibility for strategic risks.

The Council's strategic risks are detailed in below table:

<u>SR1</u>	<u>Financial sustainability</u>
<u>SR2</u>	<u>Commercial investment</u>
<u>SR3</u>	<u>Challenging economic conditions for residents and businesses</u>
<u>SR4</u>	<u>Organisational capacity and culture</u>
<u>SR5</u>	<u>Cost pressures affecting the viability of Council developments</u>
<u>SR6</u>	<u>Local government reorganisation, devolution and Levelling Up</u>
<u>SR7</u>	<u>ICT network capacity and resilience</u>
<u>SR8</u>	<u>Fraud</u>
<u>SR9</u>	<u>Gatwick Airport</u>
<u>SR10</u>	<u>Planning system reform</u>
<u>SR11</u>	<u>Climate change impact</u>

Scoring risks

Each risk on the risk register is assessed using a likelihood and impact matrix.

The likelihood and impact scores are then combined to give an overall risk score. This is done by multiplying the likelihood score by the impact score.

The total risk score is then plotted on a scoring matrix to illustrate the risk scoring visually:

IMPACT						
Grave	(5)	5	10	15	20	25
Significant	(4)	4	8	12	16	20
Moderate	(3)	3	6	9	12	15
Minor	(2)	2	4	6	8	10
Almost none	(1)	1	2	3	4	5
LIKELIHOOD		(1)	(2)	(3)	(4)	(5)
		Rare	Unlikely	Possible	More than likely	Almost certain

Risk treatment

Risk treatment is the collective term that refers to the various options that management have at their disposal to manage a risk. These are:

Avoidance	<p>Simply stop doing the activity that creates the risk, or elements therein. This may not be possible or desirable, however, particularly where the risk is unavoidable or arises from activity that the Council is obliged to undertake.</p> <p>Risk avoidance must also be balanced against the effect of doing so on the Council's objectives and how this reconciles with the wider risk appetite.</p>
Transfer	Transfer all or part of the risk to another party. For example, to insurance or to other agencies/contractors.
Reduce	Take steps to reduce the likelihood and/or impact of the risk, such as introducing new or modifying existing controls and mitigations.
Accept	Accept the risk and take no measures to reduce the likelihood and/or impact. This is not ordinarily a recommended course of action, though if the risk is outside of the Council's control it then it may be the only option available.

RISK RATINGS

IMPACT						
Grave	5					
Significant	4			SR4 SR5 SR6	SR1 SR3	
Moderate	3		SR7	SR2 SR9 SR10 SR11	SR8	
Minor	2					
Almost none	1					
LIKELIHOOD		1	2	3	4	5
		Rare	Unlikely	Possible	More than likely	Almost certain

The below table provides an overview of the current open strategic risks on the register and tracks the overall risk score for the time period that the risk has been open. It is intended to provide a visualisation of the journey of the risk over the time period that it has been open to provide context to its current score.

Year	2021/22			2022/23				2023/24	
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SR1: Financial sustainability	16	16	16	16	16	16	16	16	16
SR2: Commercial investment				6	6	6	6	6	6
SR3: Challenging economic conditions for residents and businesses				16	16	16	16	16	16
SR4: Organisational capacity and culture	12	12	12	12	12	12	12	12	12
SR5: Cost pressures affecting the viability of Council developments				12	12	12	12	12	12
SR6: Local government reorganisation, devolution and Levelling Up	12	12	12	12	12	12	12	12	12
SR7: ICT network capacity and resilience			8	8	8	8	12	6	6
SR8: Fraud	12	12	12	12	12	12	12	12	12
SR9: Gatwick airport	16	9	9	9	9	9	9	9	9
SR10: Planning system reform and the Local Plan	9	9	9	9	9	6	6	9	9
SR11: Climate change impact				12	12	12	12	12	12

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SR1	Financial sustainability		RED
Description	<p>A combination of current adverse macroeconomic conditions and the wider local government funding context have created conditions of unprecedented financial uncertainty and challenge for the Council.</p> <p>The Council is therefore increasingly reliant on generating additional income and identifying savings and efficiencies from existing budgets. If not mitigated, these financial challenges risk an adverse impact on the Council's ability to deliver its Corporate Plan objectives.</p>		
Owners	Portfolio Holder: Cllr Lewanski		
	Officer: Pat Main		
Controls	<p>Implemented Controls:</p> <p>The Council has strong financial management arrangements in place with continual investment in skills and expertise to support the delivery of the Council's financial and commercial objectives while managing risks.</p> <p>The Medium-Term Financial Plan (MTFP) sets out the forecast budget challenges over the coming five years and forms the basis for service and financial planning. The budget pressures identified by the MTFP will be addressed by the Council's Financial Sustainability Programme.</p> <p>The Capital Investment Strategy provides an overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of Council services and how associated risk is managed.</p> <p>The Commercial Strategy, parts 1 and 2, both set out the commercial activity the Council will consider, provide a framework on option evaluation, and provide the basis on which commercial decision making will be made.</p> <p>The Annual Revenue Budget sets out funding allocations for the current year and confirms officer accountability for ensuring that expenditure and income are managed within limits approved by Members. In year budget monitoring reports confirm compliance with these limits and report any action required to manage budget variances.</p> <p>The Treasury Management Strategy helps ensure that investments achieve target returns within approved security and liquidity limits and that borrowing to fund the Capital Programme is affordable.</p> <p>Internal audit has been utilised to review the approach taken to secure financial sustainability.</p>		
Mitigating actions/progress	<p>Implemented Mitigations:</p> <p>The Council has established a Financial Sustainability Programme, an initiative that is intended to reduce costs and/or increase income reducing the need to draw on reserves. Updates on the programme are reported quarterly to the Overview and Scrutiny Committee and Executive.</p> <p>An updated MTFP forecast was reported to Overview and Scrutiny Committee and Executive in July 2023. This update included an assessment of the latest position regarding the risk of increasing costs, in particular where driven by inflationary pressures in the wider economy.</p> <p>Ongoing Mitigations:</p> <p>Work has continued throughout the summer to prepare draft budget forecasts for consideration by the Executive and Budget Scrutiny Panel in November. The draft budget will be consulted on (publicly and with the Overview & Scrutiny Committee) before being presented to Full Council in February 2024.</p>		
Inherent Score	RED (20)		Likelihood: 5 Impact: 4

Current Score	RED (16)	Likelihood: 4 Impact: 4
Target Score	AMBER <i>Likelihood controlled to a score of 3 or below AND Impact mitigated to a score of 3 or below</i>	
Status	Reduce	
Last update	12 October 2023	

SR2	Commercial investment	AMBER
Description	<p>The generation of income from commercial investment is a contributor to the Council's financial sustainability. Following several high-profile commercial investment failures by local authorities, the ability to invest for a commercial purpose is being further restricted by changes in legislation, regulations, and codes of practice.</p> <p>Moreover, investing for commercial purposes – either in assets or in trading services – is not without risk due to market fluctuations and factors outside of the Council's control. The risks associated with commercial investment range from the non-achievement of budgeted income to significant capital and revenue losses, as well as governance, legal and reputational issues.</p>	
Owners	<p>Portfolio Holders: Cllrs A King and Lewanski</p> <p>Officers: Mari Roberts-Wood, Joyce Hamilton, and Pat Main</p>	
Controls	<p>Implemented Controls:</p> <p>Commercial opportunities will be considered on a case-by-case basis with up-to-date market intelligence used to inform decisions. Investments will be predicated on robust, stress-tested business cases and financial assessments which consider risks and benefits. Benefits will be monitored via established governance and reporting processes.</p> <p>Evidence of compliance with relevant Government and CIPFA guidance will be confirmed when business cases are approved.</p> <p>The Partnership, Shareholder and Trustee Executive Sub-Committee will approve and oversee commercial projects.</p> <p>The Council has now adopted parts 1 and 2 of the Commercial Strategy including an action plan which is reported on annually.</p>	
Mitigating actions/progress	<p>Ongoing Mitigations:</p> <p>Work is underway to review the future plans and direction for the Council's company investments.</p> <p>Action is underway to close down the Horley Business Park LLP following signature of the Settlement Deed by all parties.</p> <p>Action is also in progress to seek redemption of the authority's investment in Pathway for Care Limited.</p> <p>Officers and members of the Partnership, Shareholder and Trustee Executive Sub-Committee are considering options for the future operation of Greensand Holdings Limited.</p> <p>The 2023 annual report will be considered by the Overview & Scrutiny Committee in December 2023.</p>	
Inherent Score	RED (20)	Likelihood: 5 Impact: 4
Current Score	AMBER (9)	Likelihood: 3 Impact: 3
Target Score	GREEN <i>Impact mitigated to a score of 2 or below</i>	
Status	Reduce	
Last update	12 October 2023	

SR3	Challenging economic conditions for residents and businesses	RED
Description	<p>A prosperous economy is essential for the wellbeing of the borough, creating employment and wealth that benefits local people and businesses.</p> <p>Prevailing economic conditions have a direct impact on the Council's financial position and likewise impacts upon the demand for Council services, particularly in terms of income derived from fees and charges and the collection of monies owed.</p> <p>Challenging financial circumstances for residents may also increase their reliance on Council services which could result in cost pressures on the Council. The risk of the latter is exacerbated by household budgets being stretched by current elevated levels of inflation and rising consumer prices.</p>	
Owners	<p>Portfolio Holders: Cllrs Biggs, Neame and Ashford</p> <p>Officers: Mari Roberts-Wood, Pat Main, Duane Kirkland, Richard Robinson, Simon Bland, and Justine Chatfield</p>	
Controls	<p>Implemented Controls:</p> <p>The economic factors affecting the local economy are largely outside of the Council's direct control.</p> <p>The Council regularly engages with local businesses and residents to understand the challenges they face, and to provide advice, support, and networking opportunities where possible.</p> <p>The Council's homelessness service is fully compliant with the Homelessness Reduction Act (2018). This includes a significant focus on preventing homelessness in the first place, thereby reducing the demand for emergency accommodation.</p>	
Mitigating actions/progress	<p>Implemented Mitigations:</p> <p>The government's Household Support Fund was introduced in September 2021. Three rounds of funding have been distributed by the Council to directly support vulnerable households with meeting daily needs, such as food, clothing, utilities, and advice to help with the cost of living.</p> <p>The Council supports a range of voluntary sector partners in the provision of local support services such as 'Food Clubs', 'Community Fridges' and 'Healthy Start' to assist vulnerable residents with access to affordable food locally.</p> <p>The Council continues to apply for Business Support grants as and when they are available to support local employment and businesses.</p> <p>The recent challenging economic conditions, especially for private renters, and additional challenges stemming from a vulnerable migrant cohort have placed additional strains on the service. In response the Housing service has increased its officer resourcing to assist with the increasing number/complexity of approaches and elevated levels of those in emergency temporary accommodation.</p> <p>Ongoing Mitigations:</p> <p>A fourth round of the Household Support Fund funding is providing approximately £700k of support through to 31 March 2024. The fund will allow the Council to further support residents most affected by cost-of-living pressures. We are distributing the funding through local partners to target help where its most needed, including areas such as income and disability benefits, bills and allowances, childcare, housing, and travel.</p> <p>The Housing service has developed a proposal for the purchase of additional Council owned and operated temporary emergency accommodation to reduce budget pressures from the use of third-party accommodation. Securing these accommodation units has already commenced, with some offers already completed and accepted on a number of local properties.</p> <p>Current economic conditions have resulted in increased referrals to the Council's Money Support service stemming from inflationary pressures. Additional resource to</p>	

SR3	Challenging economic conditions for residents and businesses	RED
	the Money Support service has been identified, and the Council is facilitating closer collaboration with other money/debt advice services operating locally.	
Inherent Score	RED (25)	<i>Likelihood: 5 Impact: 5</i>
Current Score	RED (16)	<i>Likelihood: 4 Impact: 4</i>
Target Score	AMBER <i>Impact mitigated to a score of 3 or below</i>	
Status	Reduce/accept	
Last update	8 November 2023	

SR4	Organisational capacity and culture		AMBER
Description	<p>An effective and efficient organisational capacity and culture is key to the Council's ability to deliver on its corporate objectives.</p> <p>A combination of strong labour market conditions and associated higher turnover of staff nationwide, increasing move to a 'Hybrid Working Culture,' and the requirement by the council to comply with the objectives of the financial sustainability programme have introduced new complexities.</p> <p>These factors underscore the importance of the Council prioritising its activities and being sustainably and efficiently resourced to meet the challenges ahead. The embedding of a robust and resilient organisational culture that successfully supports officers and members and makes the Council an attractive place to work is similarly key. The failure to do will risk the delivery of the Council's objectives.</p>		
Owners	Portfolio Holder: Cllr Lewanski		
	Officer: Mari Roberts-Wood and Kate Brown		
Controls	<p>Implemented Controls:</p> <p>The Council has an embedded Establishment Management Process alongside service and financial planning.</p> <p>Ongoing consultation and engagement with staff. Including wellbeing check-ins, surveys, and engagement checks across the organisation.</p> <p>The Council has comprehensive succession planning in place to ensure minimal disruption during transitional periods at the Council.</p> <p>The Corporate Pay Board oversees all aspects of employee pay costs, benefits mapping, pay modelling and negotiation with staff representatives for the annual cost of living award.</p>		
Mitigating actions/progress	<p>Ongoing Mitigations:</p> <p>The development of the HR and OD strategy continues to progress.</p> <p>The strategy will provide the background context and identifies long term recommendations for the resourcing of the Council.</p>		
Inherent Score	RED (16)	<i>Likelihood: 4</i> <i>Impact: 4</i>	
Current Score	AMBER (12)	<i>Likelihood: 3</i> <i>Impact: 4</i>	
Target Score	<p>AMBER</p> <p><i>Likelihood Controlled to a score of 3 or below</i></p> <p><i>Impact mitigated to a score of 2 or below</i></p>		
Status	Reduce		
Last update	9 November 2023		

SR5	Cost pressures affecting the viability of Council developments		AMBER
Description	<p>The UK construction sector has seen an increase in building material and labour costs arising from uncertainties in the global supply chain and inflationary pressures. This disruption and increase in costs may impact the Council's ability to deliver economically viable development projects, where tenants may increasingly seek higher capital investment. It is now increasingly important that the council has appropriate funding/incentives to encourage commercial tenants for the lettings.</p> <p>The effects of this are multifaceted but could result in negative financial implications as well as jeopardising the delivery of strategic corporate objectives.</p>		
Owners	Portfolio Holder: Cllr A King		
	Officer: Mari Roberts-Wood, Luci Mould, Pat Main, Richard Robinson and Peter Boarder		
Controls	<p>Implemented Controls:</p> <p>As standard all development projects are subject to regular stress tested business cases which are reported and monitored via established governance arrangements.</p> <p>The Council considers cost pressures on its development schemes as part of its annual service and financial planning and budgeting monitoring processes. Cost pressures are also considered as part of business case development and are closely monitored throughout a project's lifecycle.</p> <p>Rigorous change management processes are in place for all development projects.</p> <p>Budget monitoring reports are reported on a regular basis to officer Boards, Overview & Scrutiny Committee and Executive.</p> <p>Ongoing Controls:</p> <p>The Council will pursue external grant funding opportunities as and when they are available.</p>		
Mitigating actions/progress	<p>Implemented Mitigations:</p> <p>The Council collaborates with and seeks advice from external professional teams (quantity surveyors, employers' agents, etc.) to confirm the impact of cost pressures and options for addressing them.</p>		
Inherent Score	RED (20)		<i>Likelihood: 5 Impact: 4</i>
Current Score	AMBER (12)		<i>Likelihood: 3 Impact: 4</i>
Target Score	<p>AMBER</p> <p><i>Likelihood Controlled to a score of 2 or below AND Impact mitigated to a score of 3 or below</i></p>		
Status	Reduce		
Last update	12 October 2023		

SR6	Local government reorganisation, devolution and Levelling Up		AMBER
Description	A reorganisation of local government could be prompted by a range of scenarios and circumstances, including the financial failure of an authority within Surrey or as part of the government's devolution and 'Levelling Up' agenda. The uncertainty surrounding, and subsequent results of, any local government reorganisation could adversely affect the Council and the delivery of services for residents.		
Owners	Portfolio Holder: Cllr Lewanski		
	Officer: Mari Roberts-Wood		
Controls	<p>Implemented Controls: This risk is largely outside of the Council's ability to directly influence although some control can be placed on likelihood via influencing and consultations. The Council works closely with neighbouring and partner authorities to develop alternative proposals for the future of local government in Surrey.</p> <p>Ongoing Controls: The Council will continue to lobby central government where appropriate and necessary on reorganisation, devolution and levelling up at the local level.</p>		
Mitigating actions/progress	<p>Implemented Mitigations: Surrey County Council has developed a 'level 2' proposal to secure a county deal. Under Level 2, there are unlikely to be significant changes to the existing local government structure, with most powers and functions devolved to the upper-tier authority and incorporated into existing structures. The Council has engaged with Surrey CC as it progresses its proposal and will continue to proactively influence the debate on devolution deals as well as the future structure of local government in Surrey.</p> <p>Ongoing Mitigations: The government has published its Levelling Up and Regeneration Bill. The bill is currently at the report stage in the House of Lords and received royal assent in Q3. Any implications arising will be reported in Q3.</p>		
Inherent Score	RED (16)	<i>Likelihood: 4 Impact: 4</i>	
Current Score	AMBER (7)	<i>Likelihood: 3 Impact: 4</i>	
Target Score	GREEN <i>Impact mitigated to a score of 2 or below</i>		
Status	Reduce		
Last update	24 October 2023		

SR7	ICT network capacity and resilience	AMBER
Description	<p>There has been a significant shift in the way that the Council works over the last few years, with increasing demands placed on technology and the underlying supporting ICT infrastructure as part of business-as-usual activities.</p> <p>As the reliance and demands placed upon technology continues to increase, there is a risk of significant disruption to service delivery in the event of network disruption and/or outage, particularly following a cyber-attack.</p> <p>It is therefore imperative that the Council continues to invest in robust systems, infrastructure, network security and disaster recovery capabilities to manage this risk and maintain the delivery of services</p>	
Owners	<p>Portfolio Holder: Cllr J King</p> <p>Officer: Darren Wray</p>	
Controls	<p>Implemented Controls:</p> <p>Since the Covid-19 pandemic, there has been investment in improved network infrastructure and resilience, including increased cyber security capability and back-up solution size. The Council has multiple layers of defences protecting core data and systems that are regularly reviewed and systems updated. A programme of cyber security training is regularly provided to keep staff informed of these cyber threats.</p> <p>The Council is in active contract with NCCGroup, a cyber security specialist, to investigate any incidents that may arise. The Council can instantly access NCCGroup's expertise in the event of an incident.</p> <p>Ongoing Controls:</p> <p>Implementation of the ICT strategy to further enhance the Council's network resilience and cyber security capabilities.</p>	
Mitigating actions/progress	<p>Implemented Mitigations:</p> <p>Implementation of the ICT strategy commenced in 2022/23. Procurement for the supplier of the new back-up and disaster recovery system has concluded, with a supplier now appointed.</p> <p>Ongoing Mitigations:</p> <p>Implementation of the new back-up and disaster recovery system is expected in quarter 3 and will significantly mitigate the impact of this risk.</p>	
Inherent Score	RED (15)	<i>Likelihood: 3 Impact: 5</i>
Current Score	AMBER (6)	<i>Likelihood: 2 Impact: 3</i>
Target Score	GREEN <i>Impact mitigated to a score of 2 or below</i>	
Status	Reduce	
Last update	19 October 2023	

SR8	Fraud	AMBER
Description	Due to the wide range of activities undertaken by the Council, there is a risk of fraud being committed. The risk of the latter is exacerbated from both legacy areas of activity and changes and additions to areas in which the council operates where fraud may be committed.	
Owners	Portfolio Holder: Cllr Lewanski	
	Officers: Pat Main and Simon Rosser	
Controls	<p>Implemented Controls:</p> <p>The Council maintains robust control measures to protect public funds from fraudulent activity, including Counter Fraud, Corruption and Bribery Policy, Whistleblowing Policy, and Prosecution Policies. The Fraud and Financial Investigations Team carries out investigations which cover all areas of corporate fraud.</p> <p>Staff induction includes fraud awareness training, as well as awareness of established policies and procedures.</p> <p>The Council is subject to regular internal audit reviews of potential fraud risk areas.</p>	
Mitigating actions/progress	<p>Implemented Mitigations:</p> <p>The Council continues proactive fraud checks on all housing applications and action will be taken where appropriate. These are reported annually as part of the Councils Key Performance Indicator contextual indicators.</p> <p>Staff wide fraud awareness programme with training of the relevant teams continues to take place.</p> <p>The Council cooperates with Surrey County Council and other Local Authorities to review council tax single occupancy discounts to identify and decrease council tax fraud.</p> <p>Ongoing Mitigations:</p> <p>The Council's fraud team continues to see elevated levels of fraudulent activity, such as in housing benefit and council tax. Although levels of activity are elevated, both in these new and legacy areas, fraud activity remains controlled and mitigated within existing structures.</p>	
Inherent Score	RED (15)	<i>Likelihood: 5 Impact: 4</i>
Current Score	AMBER (6)	<i>Likelihood: 4 Impact: 3</i>
Target Score	GREEN <i>Impact mitigated to a score of 2 or below</i>	
Status	Reduce	
Last update	24 October 2023	

SR9	Gatwick airport	AMBER
Description	Gatwick Airport has indicated its commitment to pursue its plans for expansion. Whilst the airport is a key local employer and its operations and supply chains have a significant bearing on the borough's economy, its expansion risks local environmental and infrastructural issues if not appropriately planned for and outcomes managed.	
Owners	Portfolio Holder: Cllr Biggs	
	Officer: Luci Mould and Andrew Benson	
Controls	<p>Implemented Controls:</p> <p>The decisions made around the expansion of Gatwick Airport are largely outside of the Council's control.</p> <p>However, the Council will continue to regularly engage throughout the planning process to mitigate negative outcomes and maximise benefits. This includes cooperation with neighbouring Local Authority partners affected by the expansion.</p> <p>Following submission of the development consent order (DCO) application the Council sought to raise concerns over the adequacy of the consultation undertaken by Gatwick Airport, which was not accepted by the Planning Inspectorate.</p> <p>Ongoing Controls:</p> <p>The Council continues to engage with Gatwick throughout the planning process to mitigate negative outcomes and maximise benefits from the Airports expansion.</p>	
Mitigating actions/progress	<p>Implemented Mitigations:</p> <p>Gatwick submitted their application for a Development Consent Order (DCO) for the conversion of the emergency runway into a second runway in early Q2. The Council has already responded to the consultation in 2022/23 for the expansion, and this is expected to inform the Council's response to the formal DCO. The Council will submit its Relevant Representation, summarising the main issues, by 29 October 2023.</p>	
Inherent Score	RED (16)	<i>Likelihood: 3 Impact: 4</i>
Current Score	AMBER (9)	<i>Likelihood: 3 Impact: 3</i>
Target Score	GREEN <i>Impact mitigated to a score of 2 or below</i>	
Status	Reduce/Accept	
Last update	24 October 2023	

SR10	Planning system reform and the Local Plan		AMBER
Description	<p>The Council is in the process of implementing a new Local Plan, which will outline the delivery of housing, both affordable and private, within the borough.</p> <p>The Department for Levelling Up, Housing and Communities published proposals that seek to alter the overarching National Planning Policy Framework.</p> <p>These plans would also introduce controversial national development management policies (NDMPs) intended to help slim down local plans.</p> <p>There is currently a great deal of uncertainty and lack of clarity over what the revised planning policy framework will change. If radical changes are introduced this may create additional complexity which could lead to delays in implementation of the new local plan and/or impact on the Council's ability to achieve the objectives set out in the new Local Plan.</p>		
Owners	<p>Portfolio Holder: Cllr Michalowski</p> <p>Officer: Andrew Benson</p>		
Controls (Likelihood)	<p>Implemented Controls:</p> <p>The Council's local plan will respond to any changes to the requirements set out in the National Planning Policy Framework and the Levelling Up and Regeneration bill (once enacted) accordingly.</p>		
Mitigating actions/progress	<p>Implemented Mitigations:</p> <p>The Council has received and responded to the National Planning Policy Framework consultation paper and submitted it back to central government.</p> <p>The latest round of consultations includes radical changes to the way that sustainability appraisals and habitats regulation will be undertaken. If these changes were carried through into the final draft, any work under the current system would be potentially negatively impacted.</p> <p>The Council will continue to respond to the consultations, attended working groups and generally offer its opinion on any changes to legislation as and when it occurs</p> <p>Until there is further detail on how changes in legislation will impact upon the local plan, it is difficult to put measures in place although Members have been briefed and discussions sought with government departments.</p> <p>Ongoing Mitigations:</p> <p>New policy and legislation will be reviewed as it is published to consider what actions are required to mitigate against any harm to the plan making process or its outcomes, including the Levelling Up and Regeneration Act enacted in Q3.</p>		
Inherent Score	RED (16)	<i>Likelihood: 3</i> <i>Impact: 4</i>	
Current Score	AMBER (9)	<i>Likelihood: 3</i> <i>Impact: 3</i>	
Target Score	GREEN <i>Impact mitigated to a score of 2 or below</i>		
Status	Reduce		
Last update	3 November 2023		

SR11	Climate change impact	AMBER
Description	<p>It is widely recognised that the Earth’s climate is changing, with this forecast to result in more extreme weather. This could have negative impacts, including on the built and natural environment, with vulnerable residents likely to be most severely impacted.</p> <p>In response, the Council may encounter difficulties in delivering services and may similarly have additional demands placed upon it, particularly as climate change adaptation and mitigation becomes increasingly necessary.</p>	
Owners	<p>Portfolio Holders: Cllr Lewanski</p> <p>Officers: Cath Rose, Andrew Benson, and Laura McCartney</p>	
Controls	<p>Implemented Controls:</p> <p>The Council’s multi-agency adverse weather emergency plan and service level business continuity plans.</p> <p>Internal Sustainability Team and the associated implementation of the Environmental Sustainability Strategy.</p> <p>Supplementary planning document detailing climate change and sustainable construction for new developments.</p> <p>Ongoing Controls:</p> <p>Consideration of climate change impacts requirements under both existing and new local plan.</p>	
Mitigating actions/progress	<p>Implemented Mitigations:</p> <p>The Household Emergency Plan has been introduced on the Council’s website. This plan details what activities households can take to minimise impact from flooding or other extreme weather events.</p> <p>The Council’s Emergency Planning team proactively engages the Surrey Local Resilience Forum to prepare for and respond to extreme weather events.</p> <p>Ongoing Mitigations:</p> <p>Ongoing Partnership work with Surrey County Council and Environment Agency to identify opportunities to mitigate flooding impacts in local developments.</p> <p>Work is ongoing with SCC and other local authorities to implement a county-level climate change adaptation strategy. This is due to be considered by SCC Cabinet in Q3 2023/24. Once adopted this will identify specific mitigation actions and timeframes to address local climate risks.</p> <p>A recently commenced review of the Council’s Environmental Sustainability Strategy (described at paragraph 33 here) will give greater consideration to climate change adaptation recognising the progress that is also being made at a county level (see above). The reviewed Strategy will be taken to the Executive in Spring 2024 for agreement.</p>	
Inherent Score	RED (16)	<i>Likelihood: 4 Impact: 4</i>
Current Score	AMBER (12)	<i>Likelihood: 4 Impact: 3</i>
Target Score	GREEN <i>Impact mitigated to a score of 2 or below</i>	
Status	Reduce/Accept	
Last update	24 October 2023	

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Signed off by	Chief Finance Officer
Author	Tom Borer, Policy Officer
Telephone	Tel: 01737 276717
Email	tom.borer@reigate-banstead.gov.uk
To	Audit Committee
Date	Wednesday, 6 December 2023
Executive Member	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Internal audit - Quarter 2 2023/24 progress report
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Recommendations
<ul style="list-style-type: none"> (i) That the Audit Committee note the Q2 2023/24 internal audit progress report available at Annex 1; (ii) That the Audit Committee make any comments and/or observations on the report to the Council's Chief Finance Officer.
Reasons for Recommendations
In accordance with its constitutional responsibilities and the Council's Internal Audit Charter, the Audit Committee is required to receive regular updates on the progress of internal audit plan delivery.
Executive Summary
This report provides an update on the delivery of the 2023/24 internal audit plan at the end of Q2.
The Audit Committee has the authority to approve the above recommendations.

Statutory Powers

Agenda Item 5

1. The requirement of an internal audit function in local government is detailed within the Accounts and Audit (England) regulations (2015), as amended by the Accounts and Audit (Amendment) Regulations 2022, which state that authorities must: 'undertake an effective internal audit to evaluate the effectiveness of [their] 45 Agenda Item 6 risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
2. The latter standards are defined in the Public Sector Internal Audit Standards (PSIAS) which were last updated in 2017.
3. Under Section 151 of the Local Government Act (1972), the Council's Chief Finance Officer holds the statutory responsibility for the overall financial administration of the Council's affairs and is therefore responsible for maintaining an adequate and effective internal audit function.

Background

4. A professional, independent and objective internal audit service is a key element of ensuring good corporate governance.
5. The PSIAS defines internal audit as 'an independent, objectives assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.'
6. The Council's internal auditors are the Southern Internal Audit Partnership (SIAP).
7. The Council's Chief Internal Auditor – the Head of the Southern Internal Audit Partnership – is responsible for the management of the Council's internal audit activity.
8. The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and are operating effectively.
9. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.
10. Under the Council's Constitution the Audit Committee is responsible for reviewing internal audit progress reports and monitoring delivery of the annual audit plan.
11. Audit Committee approved the 2023/24 internal audit plan at its meeting on 15 March 2023. The plan details the activity to be undertaken during the year.
12. The audit plan is risk based and determines the priorities of internal audit activity. The plan is kept under close review to ensure that it continues to be relevant to the Council's risk profile and to ensure an appropriate level of audit coverage throughout the year.
13. The Committee receives regular quarterly updates on the progress of delivery of the audit plan, including any agreed amendments to the audit plan.

Management Actions

14. Internal audit's role is to identify potential weaknesses in systems, controls and procedures that may expose the authority to risk. Whilst internal audit highlights these weaknesses, it is the responsibility of management to propose, design and implement actions that address these and, in so doing, control and mitigate risk.
15. Heads of Service are responsible for acting on internal audit reviews in their service areas and, as senior officers and members of the management team of the Council, are ultimately responsible for overseeing the implementation of management actions. In so doing, they are able to amend the dates of implementing actions in response, for instance, to competing priorities.
16. The respective priority for individual actions (High, Medium or Low) is assigned by Heads of Service in consultation with SIAP.
17. SIAP's report at Annex 1 and the exempt Annex 2 provides detail on overdue high priority management actions, as well as the latest management update. For additional context, an overview of the number of overdue low and medium priority actions and any revised implementation dates is provided.

Audit Committee Responsibilities

18. In accordance with the Council's Constitution and Internal Audit Charter, the Committee is required to focus on matters of significance arising from internal audit reviews.

Key Information

Assurance Opinions

19. Internal audit reviews result in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service under review.
20. SIAP's assurance opinions are categorised as follows:

Assurance	Description
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Agenda Item 5

Q2 2023/24 Progress Update

21. SIAP's attached progress report at Annex 1:
 - Summarises the status of 'live' audit reports (an audit report is considered to be 'live' if there are outstanding management actions);
 - Provides an update on the delivery of the annual audit plan;
 - Summarises internal audit performance, including assurance opinions given; and
 - Summarises any adjustments made to the audit plan
22. Section 3 of the progress report details the overall progress in delivering the 2023/24 internal audit plan and section 7 provides an overview of the work programme for the year.
23. Section 5 provides a summary of any key observations arising from reviews during the quarter that concludes with a 'limited' or 'no' assurance opinion. There were no internal audit reports published during the quarter which concluded with a 'limited' or 'no' assurance opinion.
24. The following reviews have so far concluded with an assurance opinion during the year:

Review	Opinion
Housing Allocations	Reasonable

25. Copies of all completed internal audit reports are available to Members via the Mod.Gov document library.

Amendments to the 2023/24 Audit Plan

26. Since the previous progress report, the following amendments have been made to the 2023/24 audit plan:
 - Reviews of the Homes England Grant – Rough Sleeping Accommodation Programme (RASP) regarding both Capital and Revenue were added to the programme to fulfil the requirement for independent review as part of the grant agreement with Homes England.
 - Risk Management Framework added to the plan for Q4 2023/24.
 - Contract Management deferred to 2024/25.
 - Procurement deferred to 2024/25.
 - IT Disaster Recovery deferred to 2024/25.
27. The reviews regarding Contract Management, Procurement and IT Disaster Recovery had been postponed to 2024/25 to ensure that they are able to offer best value, by allowing for live management actions to be completed and ongoing related work to be implemented. The reviews will therefore be able to consider updated information and provide effective feedback on the most current arrangements, including identifying any areas requiring further action.

Options

28. The Committee has two options:

Option 1: Note the Q2 2023/24 internal audit progress report and make any observations on its contents to the Council's Chief Finance Officer.

Option 2: Note the Q2 2023/24 internal audit progress report and make no observations on its contents to the Council's Chief Finance Officer.

Legal Implications

29. There are no legal implications arising from this report.

30. If the internal audit process identifies any concerns regarding legal matters, these will be addressed through identified management actions.

Financial Implications

31. There are no financial implications arising from this report.

32. If the internal audit process identifies any concerns regarding financial matters, these will be addressed through identified management actions.

Equalities Implications

33. There are no equalities implications arising from this report.

34. If the internal audit process identifies any concerns regarding equalities matters, these will be addressed through identified management actions.

Communication Implications

35. There are no communications implications arising from this report.

36. If the internal audit process identifies any concerns regarding communications matters, these will be addressed through identified management actions.

Environmental Sustainability Implications

37. There are no environmental sustainability implications arising from this report.

38. If the internal audit process identifies any concerns regarding environmental sustainability matters, these will be addressed through identified management actions.

Risk Management Considerations

39. An effective internal audit function is an important part of effectively managing risk.

40. The Council's strategic and operational risk registers were utilised in the development of the annual internal audit plan.

41. There are no other risk management implications arising from this report.

Consultation

Agenda Item 5

42. The internal audit reports have been considered by the Council's Corporate Governance Group as part of its governance role.

Policy Framework

43. Internal audit makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all Corporate Plan priority areas.

Background Powers

None.

Annexes

Annex 1: Q2 2023/24 internal audit progress report

Annex 2: Q2 2023/24 internal audit progress report (part 2 exempt annex)



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

REIGATE AND BANSTEAD BOROUGH COUNCIL

Internal Audit Progress Report – 2023/24 (Q2)

Prepared by: Natalie Jerams, Deputy Head of Partnership

October 2023

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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

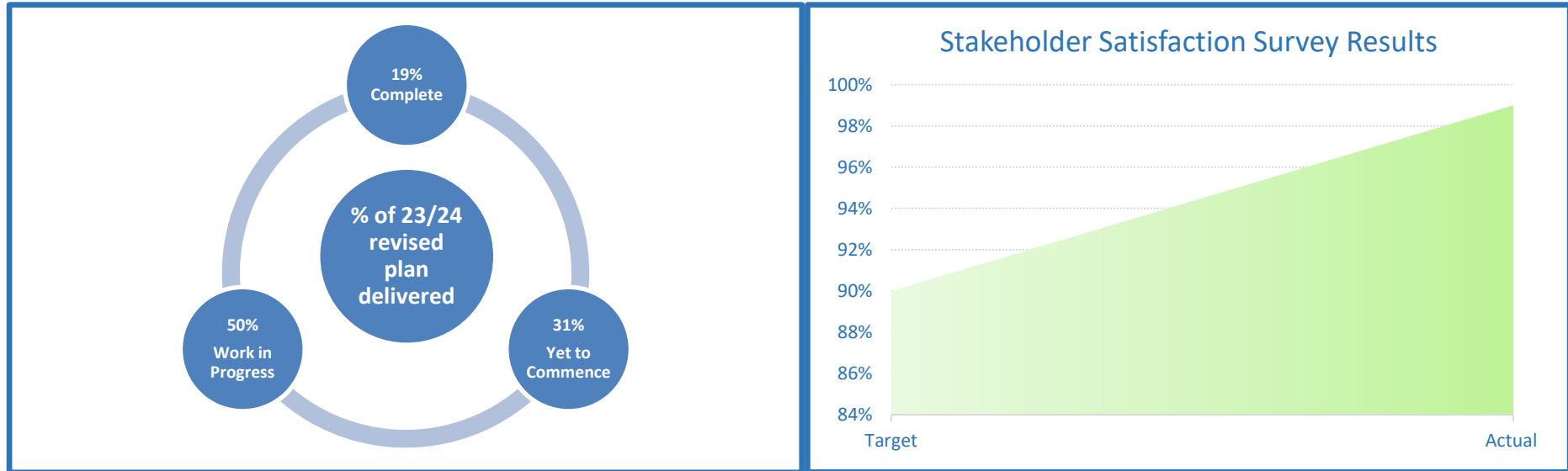
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

3. Performance dashboard



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Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Actions*	Not Yet Due	Complete	Overdue		
							L	M	H
Fleet Management	06.04.21	HofNO	Limited	16(3)	0(0)	15(3)		1	
Procurement	05.05.21	CFO	Limited	8(0)	0(0)	1(0)		7	
IT Disaster Recovery	27.05.21	HofIT	Limited	8(6)	0(0)	4(2)			4
Information Governance	06.12.21	HofIT	Reasonable	3(0)	0(0)	2(0)		1	
Contract Management	18.08.22	SHofL&G	Limited	4(0)	3(0)	1(0)			
Decision Making & Accountability	12.10.22	SHofL&G	Reasonable	2(0)	1(0)	1(0)			
IT Database Management	24.04.23	HofIT	Reasonable	5(0)	0(0)	4(0)	1		
Environmental Sustainability	26.05.23	HofCPP&P	Reasonable	4(0)	3(0)	1(0)			
Housing Delivery Strategy Implementation	13.06.23	HofH	Reasonable	2(0)	2(0)	0(0)			
Council Tax	10.07.23	HofRB&F	Reasonable	8(3)	1(1)	4(2)		3	
PCI Data Security Standard	31.07.23	CFO	Reasonable	4(2)	2(0)	2(2)			
Health & Safety Governance	04.08.23	HofNO	Limited	12(0)	8(0)	4(0)			
HR – Use of Volunteers	16.08.23	SHofO&T	No	19(6)	3(1)	11(2)		2	3
Income Collection	16.08.23	CFO	Limited	10(1)	0(0)	7(1)		3	
Housing Allocations	08.11.23	HofH	Reasonable	4(0)	0(0)	4(0)			
Total				109(21)	23(2)	61(12)	1	17	7

*Total number of actions (total number of high priority actions)

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been no new reports published concluding a “Limited” or “No” assurance opinion since the last progress report in September 2023.

6. Planning & Resourcing

The internal audit plan for 2023-24 was presented to Corporate Governance Group and the Audit Committee in March 2023.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme 2023/24

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2022/23 Reviews								
NNDR	HofRB&F	✓	✓	✓	✓			Draft report issued, management response pending.
Playgrounds & Wheeled Sports Facilities	HofNO	✓	✓	✓	✓			Draft report issued, management response pending.
2023/24 Reviews								
Corporate								
Financial Governance Framework	CFO	✓	✓					
Governance								
Fraud Framework	HofRB&F	✓	✓	✓				
Human Resources	HofOD&HR							Q4

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Risk Management	HofCPP&P							Q4
Ethical Governance	SHofL&G	✓						
IT								
Cyber Security – Managed Security Service Platform	HofIT							Q4
Core Financial Reviews								
Main Accounting	CFO	✓	✓	✓				
Treasury Management	CFO							Q4
Payroll	CFO	✓						
Organisation								
Property Management & Maintenance	PSM	✓						
People								
Housing Allocations	HofH	✓	✓	✓	✓	✓	Reasonable	
Place								
Refuse, Recycling and Street Cleaning	HofNO	✓	✓	✓				
Environmental Health and Licencing	HofNO	✓	✓	✓				
Development Management & Planning Policy	HofP							Q4
Other								
Homes England Grant – Rough Sleeping Accommodation Programme (RSAP) - Capital	CFO	✓	✓	✓	n/a	✓	n/a	Grant certification
Homes England Grant – Rough Sleeping Accommodation Programme (RSAP) - Revenue	CFO	✓	✓	✓	n/a	✓	n/a	Grant certification

Audit Sponsors			
D	Director	SHofO&T	Strategic Head of Organisation and Transformation
CFO	Chief Finance Officer (S151 Officer)	SHofL&G	Strategic Head of Legal and Governance (Monitoring Officer)
HofCPP&P	Head of Corporate Policy, Projects & Performance	HofL&I	Head of Leisure and Intervention
HofOD	Head of Organisational Development & HR	HofCP	Head of Community Partnerships
HofIT	Head of IT	HofCCCD&I	Head of Communications, Customer Contact, Data & Insight
HofH	Head of Housing	HofP	Head of Planning
HofRB&F	Head of Revenues, Benefits and Fraud	HofPD	Head of Place Delivery
HofNO	Head of Neighbourhood Operations	HofEP	Head of Economic Prosperity
PSM	Property Services Manager		

8. Adjustments to the Internal Audit Plan

There have been the following amendments to the plan to date:

Plan Variations for 2023/24	
Added to the plan	Reason
Homes England Grant – Rough Sleeping Accommodation Programme (RSAP) - Capital	The grant conditions required an independent review and report ahead of Chief Finance Officer sign off.
Homes England Grant – Rough Sleeping Accommodation Programme (RSAP) - Revenue	The grant conditions required an independent review and report ahead of Chief Finance Officer sign off.
Risk Management	Added to the plan to review the risk management framework.
Removed from the plan	Reason
Contract Management	Deferred to 2024/25 to allow for the previous audit management actions to be addressed and embedded prior to re-review. Please see separate report from Officers.
Procurement	Deferred to 2024/25 to allow for the previous audit management actions to be addressed and embedded prior to re-review. Please see separate report from Officers.
IT Disaster Recovery	Deferred to 2024/25 to allow for the previous audit management actions to be addressed and embedded prior to re-review. Please see separate report from Officers.

Overdue 'High Priority' Management Actions

IT Disaster Recovery – Limited Assurance			
Observation: Please see separate report.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Please see separate report.			

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Use of Volunteers – No Assurance

Observation: The Interim Human Resources Manager advised that, based on their limited knowledge of the organisation (as they had only been in post a few months at the time of testing), the only HR policy/procedure note in place on the selection/use of volunteers/work experience appointees is the Employee Volunteering Policy. This only relates to the Council allowing employees protected time to volunteer, it does not relate to the Council’s own use of volunteers.

Confirmation of this from the Head of Organisational Development and Human Resources was sought. We were advised that the process for managing volunteers into the organisation is not currently a process that is managed centrally (e.g. via HR), so there are no central policies or procedure notes in place. It is something that individual teams manage, with guidance/advice provided by HR as required.

None of the Community Centres were found to have local procedure notes or policies in place on the use or selection of volunteers.

Management Action	Original Due Date	Revised Due Date	Latest Service Update (Provided by the Strategic Head of Organisation and Transformation)
<p>RBBC to create central, consistent policies & HR procedures.</p> <p><u>Progress at time of reporting:</u> The Strategic Head of Organisation and Transformation has drafted the following, which have been shared with HR for initial comments before sharing with the rest of the Use of Volunteers Task & Finish Group that was established in June 2023:</p> <ul style="list-style-type: none"> • RBBC Volunteer Policy • RBBC Handbook for Managers of Volunteers • RBBC Volunteer Handbook & Code of Conduct. 	04.09.2023	30.11.2023	<p>In response to the audit RBBC have created a full suite of documentation which has been under review and improvement for the past two months. More recently a suite of documents has come to light that have been created historically for RBBC use by the previous Head of HR. These are being reviewed by the working group, as they have identified some additional content that would be of use to the authority (over and above the audit observations). As such the completion of this action has been pushed back. A working group is meeting to discuss the finalisation/combination of the two sets of documents and a revised and final deadline will be agreed. It should be noted that we now have two complete documents that exist and there are mitigations in place for all audit actions while this finalisation is agreed.</p>

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Observation: The Council does not have policies/procedure notes in place covering what training volunteers should be undertaking and whether logs of this should be maintained.

The Community Centre Managers each advised that the volunteers at their Community Centre receive on-the-job training from other volunteers/members of staff when they start.

Horley and Woodhatch's Community Centre Managers advised that they do not currently keep a log of volunteers' training. Banstead's Community Centre Manager provided evidence of a food hygiene course in March 2023, including details of the volunteers who attended. No other log of training was available.

Management Action	Original Due Date	Revised Due Date	Latest Service Update (Provided by the Strategic Head of Organisation and Transformation)
<p>Management Team to agree and implement a consistent volunteer training needs assessment & subsequent record keeping process.</p> <p><u>Progress at time of reporting:</u> Training requirements covered in the draft documents shared with HR for comments before sharing with the rest of the Task & Finish group:</p> <ul style="list-style-type: none"> • RBBC Volunteer Policy • RBBC Handbook for Managers of Volunteers • RBBC Volunteer Handbook & Code of Conduct. <p>The next action is to see if volunteers can be given access to Learning Pool, the RBBC online training and organisational development tool.</p>	28.09.2023	30.11.2023	Volunteer training needs assessment and record keeping is covered in both the full suite of documentation which has been under review and improvement for the past two months, and also in the historical documents that have recently come to light having been created historically for RBBC use by the previous Head of HR. These are being reviewed by the working group, as they have identified some additional content that would be of use to the authority (over and above the audit observations). As such the completion of this action has been pushed back. A working group is meeting to discuss the finalisation/combination of the two sets of documents and a revised and final deadline will be agreed. It should be noted that we now have two complete documents now exist and there are mitigations in place for all audit actions while this finalisation is agreed.

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<p>Observation: All three of the Community Centre Managers advised that they do not provide volunteers with a volunteer agreement specifically. Two of the Community Centre Managers however (Horley & Woodhatch), said that the volunteer's application form, which is signed, forms an agreement. A review of their application form templates found that the forms make no reference to this. The area for the volunteer's signature was found to be the application form's declaration, which covers areas such as the Council's use of personal information and offers being subject to satisfactory references. No mention of the application form being an agreement was found on either Horley or Woodhatch's application form template.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update (Provided by the Strategic Head of Organisation and Transformation)
<p>Management Team to create and launch a Code of Conduct for volunteers that forms part of a signed volunteer agreement.</p> <p><u>Progress at time of reporting:</u> The Volunteer Code of Conduct and volunteer agreement have both been drafted, and are with HR for review before sharing with the wider Use of Volunteers Task & Finish group for final comments and adoption.</p> <p>The agreement and code of conduct are also heavily referred to in both the RBBC Volunteer Policy and RBBC Handbook for Managers of Volunteers, which are currently in draft awaiting HR and Use of Volunteers Task & Finish Group review/amends/adoption.</p>	30.09.2023	30.11.2023	<p>Volunteer code of conduct is covered in both the full suite of documentation which has been under review and improvement for the past two months, and also in the historical documents that have recently come to light having been created historically for RBBC use by the previous Head of HR. These are being reviewed by the working group, as they have identified some additional content that would be of use to the authority (over and above the audit observations). As such the completion of this action has been pushed back. A working group is meeting to discuss the finalisation/combination of the two sets of documents and a revised and final deadline will be agreed. It should be noted that we now have two complete documents now exist and there are mitigations in place for all audit actions while this finalisation is agreed.</p>

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Overdue 'Low & Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Fleet Management	06.04.2021	Limited	Medium	31.12.2021	30.11.2023
Procurement	05.05.2021	Limited	Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
Information Governance	06.12.2021	Reasonable	Medium	30.09.2022	31.12.2023
IT Database Management	24.04.2023	Reasonable	Low	31.08.2023	31.03.2024
Council Tax	10.07.2023	Reasonable	Medium	30.09.2023	31.12.2023
			Medium	30.09.2023	31.12.2023
			Medium	30.09.2023	31.03.2024
Use of Volunteers	16.08.2023	No	Medium	30.09.2023	30.11.2023
			Medium	30.09.2023	30.11.2023
Income Collection	16.08.2023	Limited	Medium	30.09.2023	31.12.2023
			Medium	30.09.2023	15.12.2023
			Medium	30.09.2023	15.12.2023

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Internal audit

Management actions - Procurement

Quarter 2 2023/24 - Update

Previous internal audit

An internal audit of the Council's procurement was conducted in Quarter 4 of 2020/21, which provided 'Limited' assurance. It was identified that there was scope for the framework of governance, risk management and control to be improved, including regarding procurement strategy, compliance sampling, reporting and recording of central registers.

To address the matters raised and improve the Council's procurement governance, a number of management actions were agreed. These actions were all identified as medium priority.

Progress and current actions

Due to capacity constraints and prioritisation of the response to the pandemic, agreed management actions were not completed as originally anticipated.

A revised end date of 31 December 2023 was agreed to reflect operational capacity, and a Procurement Transformation Programme began in July 2023.

Although this end date has not been reached, this annex to the Internal audit - Quarter 2 2023/24 progress report provides an update on progress and activity currently underway. This follows the previous update that was provided accompanying the Quarter 4 2022/23 progress report.

Management actions

The management actions, progress to date, and current and forthcoming actions are set out below.

Area	Action	Progress and Status
Contract Procedure Rules - Exemptions	To develop a register of timebound waivers.	A task and finish group was established to review current procurement and contract management arrangements. This included management of the contract register and associated processes, including the establishment of a Waiver Register.
Compliance with Contract Procedure Rules	To implement a mechanism to monitor, report and sample CPR compliance. A closer alignment between procurement and finance officers for spend analysis and regular challenge on spend and CPRs	A monitoring and sampling mechanism for Contract Procedure Rule compliance is now being developed. This is anticipated to include random sampling of the contract register at regular intervals to confirm compliance levels. An experienced procurement consultant is now supporting current procurement activities to ensure compliance.
Performance Indicators	To develop performance indicators, monitor and report.	The Projects and Performance team are reviewing potential performance indicators with the procurement consultant and Chief Finance Officer for inclusion in quarterly

		<p>performance reports to Overview & Scrutiny and Executive.</p> <p>They plan to consult with relevant lead Members and officers.</p>
Scrutiny and Governance	To report to Corporate Governance Group.	<p>Significant contract management and procurement matters are now reported directly to the officer Corporate Governance Group on an emerging basis.</p> <p>A new officer Procurement Board has been established to oversee procurement and contract management activities and provide regular updates to the Corporate Governance Group, with its first meeting scheduled in December 2023.</p> <p>An analysis of historic contract spend has been completed to categorise historic procurement activity and category owners have been confirmed. An initial category owner meeting has taken place to brief them on their responsibilities and request that they review the data provided in more depth and report back.</p> <p>Service responsibility for Procurement activity has transferred from Legal to Finance.</p>
Supporting Contract Documentation - InTend	To develop a mechanism to dip sample contract documentation within InTend system.	Processing of procurement documentation and tendering exercises through the InTend system has moved back in-house, having previously been supported by the Orbis partnership.
Strategy	To review, update and further embed the Council's procurement strategy.	<p>The Procurement Strategy is now scheduled for review and substantive update. This will be overseen by the Procurement Board.</p> <p>The updated Strategy is anticipated to incorporate a strengthened process for identifying future procurements and managing tendering exercises to achieve best value</p> <p>It will also help ensure compliance with national guidance and legislation, including the new Procurement Act.</p> <p>The Contract Procedure Rules are scheduled for review alongside the Constitution review that has recently commenced.</p>
Contract Register – Forward Planning	To develop a mechanism to proactively review contracts register.	<p>A new Contract Register has been developed and published, and will be overseen by the Procurement Board.</p> <p>A Procurement Pipeline has also been developed, to support effective forward planning and identification of procurement capacity demands.</p>



Signed off by	Monitoring Officer and Chief Finance Officer
Author	Alex Vine, Democratic and Electoral Services Manager
Telephone	Tel: 01737 276067
Email	alex.vine@reigate-banstead.gov.uk
To	Audit Committee
Date	Wednesday, 6 December 2023

Key Decision Required	No
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Subject	Review of the Code of Corporate Governance
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Recommendations

To note the Code of Corporate Governance at Annex 1.
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Executive Summary

Each local authority is required to develop and maintain a Code of Corporate Governance. The Code of Corporate Governance sets out the principles of good governance and the arrangements in place to ensure that the Council conducts its business in accordance with the law and proper standards.

It provides assurance that the Council is meeting best practice in protecting its assets and serving the community.

The Code of Corporate Governance has been drafted in accordance with the principles set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance entitled 'Delivering Good Governance in Local Government'. In this guidance, seven core principles that should underpin the governance framework of a local authority are defined.

The Council is currently undertaking a review of its Constitution, which forms a fundamental part of the governance arrangements of the Council, and therefore directly affects the Code of Corporate Governance.

This report therefore recommends that the current Code of Corporate Governance be confirmed by the Audit Committee, rather than amend it, with a view to an interim update after the Constitution is reviewed to realign the Code with it.

The Audit Committee has authority to approve the above recommendations.
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Agenda Item 6

Statutory Powers

1. The Council has statutory duties under section 5 of the Local Government and Housing Act 1989 ensuring lawfulness and fairness of decision making (the responsibility of the Monitoring Officer). Also, the proper administration of the Council's affairs under section 151 of the Local Government Act 1972 (the responsibility of the Section 151 officer).

Background

2. Each local authority is required to develop and maintain a [Code of Corporate Governance](#). The Committee agreed to adopt the current Code of Corporate Governance at its [meeting on 7th December 2022](#).
3. The Council is committed to reviewing the Code annually to ensure it is maintained.
4. The Council is required to prepare an Annual Governance Statement each year to report publicly on compliance with the Code and how the Council has met the requirements of the Accounts and Audit Regulations 2015. The annual review of governance will assess the level of compliance with the Code's governance principles.
5. The information set out in the framework within the Code demonstrates that the Council continually seeks to ensure it remains well governed. The Code confirms the Council's recognition that to deliver good governance it must always seek to achieve its objectives whilst acting in the public interest.

Key Information

Review of the Constitution

6. The Council is currently undertaking a review of its Constitution, which forms a fundamental part of the governance arrangements of the Council, and therefore directly affects the Code of Corporate Governance.
7. The current review of the Constitution is expected to be reported to the Full Council at its meeting on 28th March 2024 for consideration of the recommended changes.
8. The Monitoring Officer has reviewed the Code to ensure it still reflects the current governance arrangements of the Council, and considers that no updates are required to the current Code as it still reflects the current governance arrangements of the Council.
9. This report therefore recommends that the current Code of Corporate Governance be confirmed by the Audit Committee to ensure compliance with CIPFA guidance, rather than amend it, with a view to a further review after the Constitution is updated by the Council on 28th March 2024 to realign the Code with it, if required.

Options

10. **Option 1:** To resolve to confirm the current Code of Corporate Governance without changes, as under Annex 1. This is the recommended option, as the governance arrangements of the Council have not changed since the last review in December 2022.
11. **Option 2:** To consider the Code of Corporate Governance and suggest changes prior to approving the Code for adoption. This is not recommended as there may be a delay in the adoption of the Code.
12. **Option 3:** To reject the adoption of the current Code of Corporate Governance. This is not recommended as this would not comply with CIPFA guidance to review the Code annually.

Legal Implications

13. Corporate governance is the way in which the council directs and controls its arrangements to ensure that the intended outcomes for stakeholders are defined and achieved. A robust governance code provides assurance that the Council is meeting best practice in protecting its assets and serving the community.
14. Corporate governance is how the Council ensures it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
15. The Council has statutory duties to ensure proper governance of its members, officers, assets, services and decision making. Failure of the Council's corporate governance framework could result in unlawful decisions and conduct.

Financial Implications

16. The Council's Corporate Governance arrangements are critical to fulfilment of the Council's financial responsibilities.

Equalities Implications

17. There are no equalities implications.

Communication Implications

18. There are no communication implications.

Environmental Sustainability Implications

19. There are no environmental sustainability implications.

Risk Management Considerations

20. The Council has statutory duties to ensure proper governance. A breakdown in governance creates a range of serious risks, including legal, financial and reputational.

Agenda Item 6

Other Implications
21. There are no other implications.
Consultation
22. The current Code of Corporate Governance was adopted by the Audit Committee at its meeting on 7 th December 2022 following consultation with the Monitoring Officer, the Chief Finance Officer and the Head of Organisational Development and considered at a meeting of the Corporate Governance Group on 19 October 2022.
Background Papers
23. There are none.
Annexes
1. Code of Corporate Governance

Reigate and Banstead Borough Council Code of Corporate Governance

Document History

Version	Date	Author	Change description	Reviewed and approved by
1	17/03/20	Alex Berry	First draft	Corporate Governance Group
2	07/09/20	Alex Berry	Confirming updates	-
3	11/09/20	Alex Berry	Updates following GTG on 10/09/20	Governance Task Group and Audit Committee
4	30/11/21	Alex Berry	Updated after review by CGG and GTG	Audit Committee
5	07/12/22	Alex Vine	Updated after review by CGG	Audit Committee
6	06/12/23	Alex Vine	No changes	Audit Committee

Introduction

Corporate Governance is about how the Council ensures that it is doing things right, in the right way, for the right people. It enables the Council to define and pursue its visions effectively in a timely, inclusive, open, honest and accountable manner.

Each local authority is required to develop and maintain an up-to-date Code of Corporate Governance and to prepare an Annual Governance Statement in order to report publicly on its compliance with the Code.

The council's Code of Corporate Governance has been developed in accordance with the seven core principles that should underpin the governance framework of a local authority, as outlined in the CIPFA/SOLACE guidance "Delivering Good Governance in Local Government: Framework 2016 Edition."

The seven principles of good governance are:

1. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the Council's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management
7. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

Code of Corporate Governance

The information set out in the framework within this code demonstrates that the Council continually seeks to ensure it remains well governed and that to deliver good governance the Council must always seek to achieve its objectives whilst acting in the public interest.

Monitoring

The Code of Corporate Governance is reviewed annually by:

- Corporate Governance Group (Officer group)
- Group Leaders (Member group)
- Audit Committee

as part of the preparation of the Annual Governance Statement.

Principle 1

Principle 1 - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law.

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

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Supporting principles	To achieve this, the Council will:
Behaving with integrity	<ul style="list-style-type: none"> • Ensure Members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation • Ensure members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. Meetings of Standard Committee to promote and maintain high standards of conduct within the Council and monitor effectiveness of the Code of Conduct. The operating principles and values should build on the Seven Principles of Public Life (the Nolan Principles): Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership. • Lead by example and use the above standard operating principles or values as a framework for decision making and other actions • Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which are to be reviewed on a regular basis to ensure that they are operating effectively

<p>Demonstrating strong commitment to ethical values</p>	<ul style="list-style-type: none"> • Seek to establish, monitor and maintain the organisation’s ethical standards and performance • Underpin personal behaviour with ethical values and ensure they permeate all aspects of the organisation’s culture and operation • Develop and maintain robust policies and procedures which place emphasis on agreed ethical values • Ensure that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation
<p>Respecting the rule of law</p>	<ul style="list-style-type: none"> • Ensure members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations • Create the conditions to ensure that the statutory officers, other key postholders, and Members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements • Strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders • Deal with breaches of legal and regulatory provisions effectively • Ensure corruption and misuse of power are dealt with effectively
<p>Principle 1 is evidenced by:</p> <ul style="list-style-type: none"> • <u>Constitution</u> • <u>Corporate Plan</u> • <u>Member Code of Conduct</u> 	

- Member Learning and Development Plan (Internal)
- [Annual Governance Statement](#)
- [Register of Interests](#)
- [Schemes of delegation / decision making protocols](#)
- Statutory officers' roles:- Chief Executive, Chief Finance Officer, Monitoring Officer
- [Internal Audit Plan](#)
- [Complaints Procedure](#)
- [Working in Partnership](#)
- Commercial Governance Framework (Internal)
- [Whistle Blowing Policy](#) (Internal)
- [Anti-Fraud and Corruption policy](#) (Internal)
- [Anti-Money Laundering Policy](#) (Internal)
- Equality Policy (Internal)
- Grievance Policy (Internal)
- Hospitality Protocol (Internal)
- ICT Policies (Internal)
- Financial Procedure Rules – Procedure Rule 7 of the [Constitution](#)
- Contract Procedure Rules – Procedure Rule 8 of the [Constitution](#)

Principle 2

Principle 2 - Ensuring openness and comprehensive stakeholder engagement.

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Supporting principles	To achieve this, the Council will:
Openness	<ul style="list-style-type: none"> • Ensure an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness • Make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear • Use formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action
Engaging comprehensively with institutional stakeholders (for example, commercial	<ul style="list-style-type: none"> • Effective engagement with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably

<p>partners and suppliers, other public or third sector organisations)</p>	<ul style="list-style-type: none"> • Develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • Ensure that partnerships are based on, trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit
<p>Engaging stakeholders effectively, including citizens and service users</p>	<ul style="list-style-type: none"> • Establish a clear policy on the type of issues that the Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes • Ensure that communication methods are effective and that members and officers are clear about their roles with regard to community engagement • Encourage, collect and evaluate the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs • Implement effective feedback mechanisms in order to demonstrate how views have been taken into account • Balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • Take account of the impact of decisions on future generations of taxpayers and service users
<p>Principle 2 is evidenced by:</p> <ul style="list-style-type: none"> • <u>Constitution</u> • <u>Corporate Plan</u> • <u>Public attendance at Council meetings/Webcasting of Council meetings</u> 	

- [Publication of Committee Reports and Papers](#)
- [Freedom of Information](#)
- [Complaints](#)
- LGA Workshop for Members: Chairing Skills (internal)
- [Reigate and Banstead Borough Council Website](#)
- Medium Term Financial Plan, Annual budget (including Financial Sustainability Programme) and Capital Investment Strategy
- Treasury Management Strategy
- [Annual Statement of Accounts](#)
- [Commercial Strategy](#)
- [Working in Partnership](#)
- Social media channels (Facebook, Twitter, LinkedIn, Instagram)
- [Borough News residents' magazine](#)
- [Monthly newsletter to local businesses](#)
- Media engagement
- Events (Community Development, Harlequin Theatre, Leisure, Mayoral, Economic Prosperity)
- Consultation and Engagement activities
- Targeted Communications (where appropriate)

Principle 3

Principle 3 - Defining outcomes in terms of sustainable economic, social and environmental benefits.

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Supporting principles	To achieve this, the Council will:
Defining outcomes	<ul style="list-style-type: none"> • Have a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions • Specify the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer • Deliver defined outcomes on a sustainable basis within the resources that will be available • Identify and manage risks to the achievement of outcomes • Manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision

- Take a longer-term view with regard to decision making, take account of risk and act transparently where there are potential conflicts between the organisation’s intended outcomes and short-term factors such as the political cycle or financial constraints
- Determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs
- Ensure fair access to services

Principle 3 is evidenced by:

- [Corporate Plan](#)
- Commercial Strategy
- Housing Delivery Strategy
- Medium Term Financial Plan, Annual budget (including Financial Sustainability Programme) and Capital Investment Strategy
- [Annual Statement of Accounts](#)
- Asset Management Plan
- IT Strategy (internal)
- Treasury Management Strategy
- [Monitoring of Performance Indicators](#)
- [Risk Management Strategy](#)

Principle 4

Principle 4 - Determining the interventions necessary to optimise the achievement of the intended outcomes.

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

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Supporting principles	To achieve this, the Council will:
Determining interventions	<ul style="list-style-type: none"> • Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended long-term outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided • Consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts
Planning interventions	<ul style="list-style-type: none"> • Establishing and implementing robust planning and control cycles that cover long-term strategic and operational plans, priorities and targets • Engage with internal and external stakeholders in determining how services, service improvements and other courses of action should be planned and delivered • Consider and monitor risks facing each partner when working collaboratively, including shared risks

	<ul style="list-style-type: none"> • Ensure arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances • Establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured • Ensure capacity exists to generate the information required to review service quality regularly • Prepare budgets in accordance with objectives, strategies and the medium-term financial plan • Inform medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy
<p>Optimising achievement of intended outcomes</p>	<ul style="list-style-type: none"> • Ensure the medium-term financial plan integrates and balances service priorities, affordability and other resource constraints • Ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • Ensure the medium-term financial plan sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage • Ensure the achievement of ‘social value’ through service planning and commissioning
<p>Principle 4 is evidenced by:</p> <ul style="list-style-type: none"> • <u>Corporate Plan</u> • <u>Overview and Scrutiny Committee</u> • <u>Executive Forward Plan</u> 	

- Medium Term Financial Plan, Annual budget (including Financial Sustainability Programme) and Capital Investment Strategy
- [Annual Statement of Accounts](#)
- Treasury Management Strategy
- [Working in Partnership](#)
- [Risk Management Strategy](#)
- Commercial Governance Framework (Internal)
- Commercial Strategy
- Housing Delivery Strategy
- Process for Developing Policy Framework – Procedure Rule 6 of the [Constitution](#).

Principle 5

Principle 5 - Developing the Council's capacity, including the capability of its leadership and the individuals within it.

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole.

Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members.

Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

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Supporting principles	To achieve this, the Council will:
Developing the Council's capacity	<ul style="list-style-type: none"> • Review operations, performance and use of assets on a regular basis to ensure their continuing effectiveness • Improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently • Recognise the benefits of partnerships and collaborative working where added value can be achieved • Agree an approach to employee engagement with the Employment Committee and Council's Management Team • Review and agree exact priorities for this approach.

	<ul style="list-style-type: none"> • Scope individual projects to meet the will flow from the priority work, include priorities around Leadership and Management Development, the Wellbeing of our staff, employee voice and improving our two way internal communication, concluding our review on how we attract talent to the organisation and also our organisation revisioning. • Undertake the annual Service and Financial Planning process to agree resources. Including work between Finance and HR colleagues with Heads of Services and team managers to review Business Plans and the HR plans required to deliver team/organisational objectives. Produce Business Plans for each service area and the corresponding Council’s establishment (agreed positions) managed by HR, with the help of Finance colleagues.
<p>Developing the capability of the Council’s leadership and other individuals</p>	<ul style="list-style-type: none"> • Develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained • Publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the Council. • Ensure the Leader and the Head of Paid Service/Directors have clearly defined and distinctive leadership roles within a structure whereby the Head of Paid Service/Directors lead in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other’s authority • Develop the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> ○ ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged

- ensuring Members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis
- ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external
- Ensure that there are structures in place to encourage public participation
- Take steps to consider the leadership's own effectiveness and ensure leaders are open to constructive feedback from peer review and inspections
- Hold staff to account through regular performance reviews which take account of training or development needs
- Ensure our people are healthy and supporting their wellbeing remains a priority for us. To do this we:
 - have access to an employee assistance programme (EAP) that offers employees and their families counselling support if required
 - provide numerous tools online to support wellbeing (physical and mental health)
 - have occupational health support when required
 - run specific wellbeing events throughout the year to focus on physical and/or mental health.
 - encourage managers and staff to have regular 121s when managers can check in about a person's wellbeing on an individual level and any necessary interventions made to help support a person (potentially helped by the HR team). 121s also form part of our performance appraisal process when regular check ins take place with managers throughout the year and pay is reviewed annually
- The recognised Trade Unions also support a number of wellbeing events through the year and open these up to members and non-members.

- | | |
|--|---|
| | <ul style="list-style-type: none">• We will continue to work on understanding individual wellbeing needs and how the organisation can support individuals |
|--|---|

Principle 5 is evidenced by:

- [Constitution](#) including Scheme of Delegation for Members and Officers
- Personal Development Appraisals (Internal)
- Induction Programme (Internal)
- Member and Officer training (Internal)
- [Pay policy statement](#)
- Great People Strategy (our Employee Engagement Strategy, being reviewed for post pandemic changes required)

Principle 6

Principle 6 - Managing risks and performance through robust internal control and strong public financial management.

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Supporting principles	To achieve this the Council will:
Managing risk	<ul style="list-style-type: none"> • Recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making • Implement robust and integrated risk management arrangements and ensure that they are working effectively • Ensure that responsibilities for managing individual risks are clearly allocated
Managing performance	<ul style="list-style-type: none"> • Monitor service delivery effectively including planning, specification, execution and independent post implementation review

	<ul style="list-style-type: none"> • Make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook • Ensure an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible • Provide members and senior management with regular reports on service delivery plans and on progress towards outcome achievement • Ensure there is consistency between specification stages (such as budgets) and post implementation reporting (for example financial statements)
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">85</p> <p>Robust internal control</p>	<ul style="list-style-type: none"> • Align the risk management strategy and policies on internal control with achieving objectives • Evaluate and monitor risk management and internal control on a regular basis • Ensure effective counter fraud and anti-corruption arrangements are in place • Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensure an audit committee or equivalent group/ function, which is independent of the executive and accountable to the Council: <ul style="list-style-type: none"> ○ provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment ○ that its recommendations are listened to and acted upon
<p>Managing data</p>	<ul style="list-style-type: none"> • Ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data

	<ul style="list-style-type: none"> • Ensure effective arrangements are in place and operating effectively when sharing data with other bodies • Review and audit regularly the quality and accuracy of data used in decision making and performance monitoring
<p>Strong public financial management</p>	<ul style="list-style-type: none"> • Ensure financial management supports both long term achievement of outcomes and short term financial and operational performance • Ensure well developed financial management is integrated at all levels of planning and control including management of financial risks and controls
<p>Principle 6 is evidenced by:</p> <ul style="list-style-type: none"> • <u>Corporate Plan</u> • <u>Overview and Scrutiny Committee</u> • <u>Standards Committee</u> • <u>Committee Terms of Reference</u>, including Commercial Ventures Executive Sub-Committee in relation to commercial projects • <u>Register of Interests</u> • Commercial Governance Framework (Internal) • Register of Gifts and Hospitality (Internal) • <u>Annual Governance Statement</u> • <u>Risk Management Strategy</u> • Medium Term Financial Plan, Annual budget (including Financial Sustainability Programme) and Capital Investment Strategy 	

- [Annual Statement of Accounts](#)
- Treasury Management Strategy
- Quarterly Performance Reports to Executive, Audit and Overview and Scrutiny
- [Complaints Procedure](#)
- [Internal Audit Plan](#)
- [Anti-Fraud and Corruption policy](#) (Internal)
- [Anti-Money Laundering Policy](#) (Internal)
- ICT Policies (Internal)
- Health and Safety Policy (Internal)
- Business Continuity Plans (Internal)

Principle 7

Principle 7 - Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Supporting principles	To achieve this the Council will:
Implementing good practice in transparency	<ul style="list-style-type: none"> • Write and communicate reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensure that they are easy to access and interrogate • Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand
Implementing good practices in reporting	<ul style="list-style-type: none"> • Report at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensure members and senior management own the results reported • Ensure robust arrangements for assessing the extent to which the principles contained in this framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)

	<ul style="list-style-type: none"> • Ensure that this framework is applied to jointly managed or shared service organisations as appropriate • Ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations
Assurance and effective accountability	<ul style="list-style-type: none"> • Ensure that recommendations for corrective action made by external audit are acted upon • Ensure an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon • Welcome peer challenge, reviews and inspections from regulatory bodies and implementing recommendations • Gain assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement • Ensure that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met
<p>Principle 7 is evidenced by:</p> <ul style="list-style-type: none"> • <u>Corporate Plan</u> • <u>Constitution</u> • <u>Publication of Committee Reports and Papers</u> • <u>Forthcoming Decisions List</u> • <u>Overview and Scrutiny Committee</u> • <u>Commercial Ventures Executive Sub-Committee</u> 	

- [Annual Governance Statement](#)
- [Complaints Procedure](#)
- Medium Term Financial Plan, Annual budget (including Financial Sustainability Programme) and Capital Investment Strategy
- [Annual Statement of Accounts](#)
- Treasury Management Strategy
- [Internal Audit Plan](#)
- Quarterly Performance Reports to Executive, Audit and Overview and Scrutiny
- Commercial Governance Framework (Internal)

Reigate and Banstead Borough Council Audit Committee Work Programme

Published: 27 November 2023



Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
13 March 2024								
<i>Luke Harvey, Project & Performance Team Leader</i>	Portfolio Holder for Corporate Policy and Resources	Head of Corporate Policy, Projects and Performance	Risk Management - Quarter 3 2023/24 To receive the Q3 2023/24 risk management report.		21 Mar 2024		Open	
<i>Tom Borer, Policy Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Internal audit - Quarter 3 2023/24 progress report To receive the Q3 2023/24 internal audit progress report.				Part exempt	
<i>Tom Borer, Policy Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Internal audit plan and charter - 2024/25 To receive the internal audit plan and Charter for 2023/24.				Open	

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Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
<i>Liane Dell, Democratic Services Officer</i>	Portfolio Holder for Corporate Policy and Resources	Strategic Head of Legal and Governance	<p>Audit Committee Annual Report 2023/24 and Forward Work Programme 2024/25</p> <p>To consider the Audit Committee's Annual Report and forward work programme for 2024/25.</p>				Open	
Meeting date TBC for 2020/21 reports								
<i>Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	<p>Final Annual Governance Statement 2020/21</p> <p>To consider the Final Annual Governance Statement 2020/21</p>				Open	
<i>Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	<p>External Auditor Report (ISA 260) 2020/21</p> <p>To consider the external auditor's conclusions and any significant issues arising from the audit of the Statement of Accounts 2020/21.</p>				Open	
<i>Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	<p>Statement of Accounts 2020/21</p> <p>To consider the Audited Statement of Accounts 2020/21.</p>				Open	

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Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
Meeting Date TBC for 2021/22 reports								
<i>Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Final Annual Governance Statement 2021/22 To consider the Final Annual Governance Statement 2021/22.				Open	
<i>Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	External Auditor Report (ISA 260) 2021/22 To consider the external auditor's conclusions and any significant issues arising from the audit of the Statement of Accounts 2021/22.				Open	
<i>Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Statement of Accounts 2021/22 To consider the audited Statement of Accounts 2021/22				Open	
Meeting Date TBC for 2022/23 reports								
<i>Jacqueline Aboagye, Finance Manager</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Final Annual Governance Statement 2022/23 To consider the Final Annual Governance Statement 2022/23.				Open	

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Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
<i>Jacqueline Aboagye, Finance Manager</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	<p>External Auditor Report (ISA 260) 2022/23</p> <p>To consider the external auditor's conclusions and any significant issues arising from the audit of the Statement of Accounts 2022/23.</p>				Open	
<i>Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	<p>Audited Statement of Accounts 2022/23</p> <p>To consider the Audited Statement of Accounts 2022/23.</p>				Open	

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Contact: Democratic Services **Email:** democratic@reigate-banstead.gov.uk **Telephone:** 01737 276812
Address: Town Hall, Castlefield Road, Reigate, Surrey RH2 0SH

Action Tracker – Audit Committee 2023/24

Meeting 2023/24	Subject and Request	Action	Who	Status	Response
6 Septem ber 2023	Item 4 - Risk management - Quarter 1 2023/24	<p>Partner Referrals A written response was requested from the Head of Community Partnerships regarding the monitoring of partner referrals.</p>	Head of Community Partnerships	Completed	Circulated to Committee Members on 29 September 2023.

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