



TO THE CHAIRMAN AND MEMBERS OF THE STANDARDS AND AUDIT COMMITTEE

You are hereby summoned to attend a meeting of the Standards and Audit Committee to be held on Thursday, 28 November 2019 at 7.00 pm in the Council Chamber, Civic Offices, Gloucester Square, Woking, Surrey GU21 6YL.

The agenda for the meeting is set out below.

RAY MORGAN
Chief Executive

NOTE: Filming Council Meetings

Please note the meeting will be filmed and will be broadcast live and subsequently as an archive on the Council's website (www.woking.gov.uk). The images and sound recording will also be used for training purposes within the Council. Generally the public seating areas are not filmed. However by entering the meeting room and using the public seating area, you are consenting to being filmed.

AGENDA

PART I - PRESS AND PUBLIC PRESENT

1. Minutes

To approve the minutes of the meeting of the Standards and Audit Committee held on 19 September 2019 as published.

2. Apologies for Absence

To receive any apologies for absence.

3. Declarations of Interest (Pages 3 - 4)

- (i) To receive declarations of interest from Members and Officers in respect of any item to be considered at the meeting.
- (ii) In accordance with the Officer Employment Procedure Rules, the Head of Democratic and Legal Services, Peter Bryant, declares a disclosable personal interest (non-pecuniary) interest in any items concerning the companies of which he is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mr Bryant may advise the Committee on those items.
- (iii) In accordance with the Officer Employment Procedure Rules, the Finance Director, Leigh Clarke, declares a disclosable personal interest (non-pecuniary) interest in any items concerning the companies of which she is a Council-appointed director. The

companies are listed in the attached schedule. The interests are such that Mrs Clarke may advise the Committee on those items.

4. Urgent Business

To consider any business that the Chairman rules may be dealt with under Section 100B(4) of the Local Government Act 1972.

Matters for Determination

5. Annual Audit and Inspection Letter – report to follow
Reporting Person – Leigh Clarke

6. Internal Audit Charter STA19-017 (Pages 5 - 18)
Reporting Person – James Graham

7. Internal Audit Progress Report STA19-016 (Pages 19 - 26)
Reporting Person – James Graham

AGENDA ENDS

Date Published - 20 November 2019

For further information regarding this agenda and arrangements for the meeting, please contact Doug Davern on 01483 743018 or email doug.davern@woking.gov.uk



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Schedule Referred to in Declaration of Interests

Council-appointed directorships

Peter Bryant, Head of Democratic and Legal Services

Thameswey Limited
Thameswey Developments Limited
Thameswey Housing Limited
Thameswey Energy Limited
Thameswey Central Milton Keynes Limited
Thameswey Guest Houses Limited
Thameswey Solar Limited
Thameswey Maintenance Services Limited
Thameswey Sustainable Communities Limited
Energy Centre for Sustainable Communities Limited
Rutland (Woking) Limited (alternate for Ray Morgan)
Rutland Woking (Carthouse Lane) Limited (alternate for Ray Morgan)
Woking Necropolis and Mausoleum Limited
Brookwood Cemetery Limited
Brookwood Park Limited
Kingfield Community Sports Centre Limited
Dukes Court T S a.r.l

Leigh Clarke, Finance Director

Kingfield Community Sports Centre Limited
Dukes Court T S a.r.l

STANDARDS AND AUDIT COMMITTEE – 28 NOVEMBER 2019

INTERNAL AUDIT CHARTER

Executive Summary

The Internal Audit Charter is a formal document that defines Internal Audit's purpose, authority and responsibility in accordance with UK Public Sector Internal Audit Standards (PSIAS). The charter establishes Internal Audit's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards and Audit Committee; authorises access, to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit's activities.

Recommendations

The Committee is requested to:

RESOLVE That the Internal Audit Charter be approved.

The Committee has the authority to determine the recommendation(s) set out above.

Background Papers: None.

Reporting Person: James Graham, Head of Internal Audit
Email: james.graham@mazars.co.uk

Contact Person: Leigh Clarke, Finance Director
Ext. 3277, E Mail: Leigh.Clarke@woking.gov.uk

Date Published: 20 November 2019

STA19-017

1.0 Introduction

- 1.1 The Internal Audit Charter is a formal document that defines Internal Audit's purpose, authority and responsibility in accordance with UK Public Sector Internal Audit Standards (PSIAS). The charter establishes Internal Audit's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards and Audit Committee; authorises access, to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit's activities.
- 1.2 The Charter provides a framework for the conduct of the service and will be reviewed annually and presented to CMG and the Standards and Audit Committee for final approval.
- 1.3 The Charter can be found in appendix 1. The content of the charter is unchanged from that presented in September 2018 other than minor presentational changes.

2.0 Implications

Financial

- 2.1 There are minimal financial implications around the implementation of internal audit recommendations. Some audit recommendations are designed to improve value for money and financial control

Human Resource/Training and Development

- 2.2 Some audit recommendations need resource to put in place.

Community Safety

- 2.3 None.

Risk Management

- 2.4 Internal Audit identifies weaknesses in the control environment. Implementation of recommendations therefore improves the control environment and hence the management of risk.

Sustainability

- 2.5 There is minimal impact of sustainability issues.

Equalities

- 2.6 There is minimal impact of equalities issues.

Safeguarding

- 2.7 There is minimal impact of safeguarding issues.

REPORT ENDS

Woking Borough Council

Internal Audit Charter

November 2019



Introduction

The Internal Audit Charter is a formal document that defines Internal Audit's purpose, authority and responsibility in accordance with UK Public Sector Internal Audit Standards (PSIAS). The charter establishes Internal Audit's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards and Audit Committee; authorises access, to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit's activities. It provides a framework for the conduct of the service and will be reviewed annually and presented to CMG and the Standards and Audit Committee for final approval.

The PSIAS also include a Mission for Internal Audit which is 'to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'.

Nature and Purpose

Woking Borough Council has developed a risk management framework which includes:

- Identification of the significant risks in the Authority's operations and allocation of a risk owner to each;
- An assessment of how well the significant risks are being managed; and
- Periodic reviews by the Corporate Management Group of the significant risks, including reviews of key risk indicators, governance reports and action plans, and any changes to the Authority's risk profile.

A system of internal control is one of the primary means of managing risk and consequently the evaluation of its effectiveness is central to Internal Audit's responsibilities.

Woking Borough Council's system of internal control comprises the policies, procedures and practices, as well as organisational culture that collectively support the Authority's effective operation in the pursuit of its objectives. The risk management, control and governance processes enable the Authority to respond to significant business risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of the Corporate Management Group.

The Authority needs assurance over the significant business risks set out in the risk management framework. In addition, there are many other stakeholders, both internal and external, requiring assurance on the management of risk and other aspects of the Authority's business, including Members, regulators etc. There are also many assurance providers. The internal audit function is the third line of defence in the Council's 'three lines of defence approach' to risk and assurance. The first line of defence comprises the Council's core operational services, and the second line comprises the oversight functions such as risk management.

Internal Audit is defined by the Institute of Internal Auditors' International Professional Practices Framework as 'an independent, objective 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.'

In a local authority, Internal Audit provides independent and objective assurance to the organisation, its Members, the Chief Executive, the Corporate Management Group, and in particular to the Chief Finance Officer to help them discharge their responsibilities relating to the proper administration of the Authority's financial affairs under S151 of the Local Government Act 1972.

In addition, the Accounts and Audit Regulations (2015) specifically require the provision of an internal audit service. In line with regulations, Internal Audit provides independent assurance on the adequacy and effectiveness of the Authority's governance, risk management and internal control systems.

In particular, Internal Audit carries out assurance and consulting activities across all aspects of Woking Borough Council's business, based on a programme agreed with the Standards and Audit Committee. In doing so, Internal Audit works closely with the Authority's risk owners, service line risk teams, and the Corporate Management Group.

In addition to providing independent assurance to various stakeholders, Internal Audit helps identify areas where the Authority's existing processes and procedures can be developed to improve the extent with which risks in these areas are managed; and public money is safeguarded and used economically, efficiently and effectively. In carrying out its work, Internal Audit liaises closely with the Corporate Management Group and management in the service lines.

The independent assurance provided by Internal Audit also assists the Authority to report annually on the effectiveness of the system of internal control included in the Authority's Annual Governance Statement.

Authority and Access to Records, Assets and Personnel

Internal Audit has unrestricted right of access to all Authority records and information, both manual and computerised, cash, stores and other property or assets it considers necessary to fulfil its responsibilities. Internal Audit may enter Authority property and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Right of access to other bodies funded by the Authority should be set out in the conditions of funding.

Any restriction (management or other) on the scope of Internal Audit's activities will be reported to the Standards and Audit Committee.

Internal Audit is accountable for the safekeeping and confidentiality of any information and assets acquired in the course of its duties and execution of its responsibilities.

Internal Audit will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, and which external audit would need to discharge their responsibilities.

Responsibility

The Authority's Head of Internal Audit is required to provide an annual opinion to the Authority and to the Chief Finance Officer and the Chief Executive, through the Standards and Audit Committee, on the adequacy and the effectiveness of the Authority's risk management, control and governance processes. In order to achieve this, Internal Audit will:

- Coordinate assurance activities with other assurance providers (such as the external auditors, the auditors of the Authority's Quality Management, Environmental Management and Information Security accreditations etc.) such that the assurance needs of the Authority, regulators and other stakeholders are met in the most effective way.
- Evaluate and assess the implications of new or changing systems, products, services, operations and control processes.
- Carry out assurance and consulting activities across all aspects of the Authority's business based on a risk-based plan agreed with the Standards and Audit Committee.
- Provide the Chief Finance Officer, Chief Executive and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls associated with the management of risk in the area being audited.
- Issue periodic reports to the Standards and Audit Committee and the Corporate Management Group summarising results of assurance activities.
- Promote an anti-fraud, anti-bribery and anti-corruption culture within the Authority to aid the prevention and detection of fraud.
- Assist in the investigation of allegations of fraud, bribery and corruption within the Authority and notifying management and the Standards and Audit Committee of the results.
- Assess the adequacy of remedial action to address significant risk and control issues reported to the Standards and Audit Committee. Responsibility for remedial action in response to audit findings rests with line management.

Definition	Details	Responsibility in relation to Internal Audit
<p>The Standards and Audit Committee</p>	<p>To oversee the financial reporting, risk management, audit and internal control arrangements of the Council to assure the Council and residents that resources are properly managed and high standards of financial probity are maintained.</p>	<p>To consider the Head of Internal Audit's annual report and opinion and the level of assurance it can give over the Council's governance arrangements.</p> <p>To review internal audit reports and other evidence of the Council's risk management and internal control systems.</p> <p>Report to Council when necessary to give assurances about the Council's financial statements, risk management and internal control mechanisms or to raise concerns of any significant weakness.</p>
<p>Chief Officers</p>	<p>The Chief Executive has overall corporate management and operational responsibility (including overall management responsibility for all officers) together with specific operational responsibility for services identified in Part 3 of the Constitution 'Responsibility for Functions, Management Arrangements and Scheme of Delegations'. The Corporate Directors have overall strategic and operational management of those services falling within their responsibility.</p>	<p>Corporate Management Group liaise with Internal Audit to agree the Annual Internal Audit Plan.</p>

	The Executive has responsibility for risk management	
S151 Officer	To exercise the functions of the S151 Officer, including proper administration of the Council's financial affairs under S115 and S151 of the Local Government Act 1972 and S114 of the Local Government Finance Act 1988. Ensuring lawfulness and financial prudence of decision making, contributing to corporate management, providing advice and giving financial information.	Deal with Internal Audit issues under the Accounts and Audit Regulations 2015.

There are inherent limitations in any system of internal control and thus errors or irregularities may occur and not be detected by Internal Audit's work. Unless specifically requested and agreed, Internal Audit will not perform substantive testing of underlying transactions.

When carrying out its work, Internal Audit will provide line management with comments and report breakdowns, failures or weaknesses of internal control systems together with recommendations for remedial action. However, Internal Audit cannot absolve line management of responsibility for internal controls.

Internal Audit will support line managers in determining measures to remedy deficiencies in risk management, control and governance processes and compliance to the Authority's policies and standards and will monitor whether such measures are implemented on a timely basis.

Where appropriate, Internal Audit will undertake assurance or consulting activities for the benefit of the Authority in organisations wholly owned or controlled by the Authority. Internal Audit may also provide assurance to the Authority on third party operations (such as contractors and partners) where this has been provided for as part of the contract.

The Standards and Audit Committee is responsible for ensuring that Internal Audit is adequately resourced and afforded a sufficiently high standing within the organisation, necessary for its effectiveness.

Scope of Activities

As highlighted in the previous section, there are inherent limitations in any system of internal control. Internal Audit therefore provides the Members, the Chief Executive and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the Authority's governance, risk management and control processes using a systematic and disciplined approach by:

- Assessing and making appropriate recommendations for improving the governance processes, promoting appropriate ethics and values, and ensuring effective performance management and accountability;
- Evaluating the effectiveness and contributing to the improvement of risk management processes; and
- Assisting the Authority in maintaining effective controls by evaluating their adequacy, effectiveness and efficiency and by promoting continuous improvement.

The scope of Internal Audit's value adding activities includes evaluating risk exposures relating to the Authority's governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

Reporting

For each engagement, Internal Audit will issue a report to the appropriate Audit Contact and Chief Finance Officer or their nominee, and a summary to the Corporate Management Group and the Standards and Audit Committee.

The UK Public Sector Internal Audit Standards require the Head of Internal Audit to report at the top of the organisation and this is done in the following ways:

- The Internal Audit Charter is reported to the Corporate Management Group. It is then presented to the Standards and Audit Committee annually for formal approval.
- The annual risk-based plan is compiled by the Head of Internal Audit taking account of the Authority's risk management framework and after input from members of the Corporate Management Group. It is then presented to the Corporate Management Group and Standards and Audit Committee annually for comment.
- The internal audit budget is reported to Executive and Full Council for approval annually as part of the overall Authority budget.
- The adequacy, or otherwise, of the level of internal audit resources (as determined by the Head of Internal Audit) and the independence of internal audit will be reported annually to the Standards and Audit Committee.
- Performance against the annual risk-based plan and any significant risk exposures and breakdowns, failures or weaknesses of internal control systems arising from internal audit work are reported to the Corporate Management Group and Standards and Audit Committee on a quarterly basis.
- Any significant consulting activity not already included in the risk-based plan and which might affect the level of assurance work undertaken will be reported to the Standards and Audit Committee.
- Any instances of non-conformance with the Public Sector Internal Audit Standards must be reported to the Corporate Management Group and the Standards and Audit Committee and will be included in the annual Head of Internal Audit report. If there is significant non-conformance, this may be included in the Authority's Annual Governance Statement.

Independence

The Head of Internal Audit has free and unfettered access to the following:

- Chief Executive;
- Chief Finance Officer;
- Monitoring Officer;
- Chair of the Standards and Audit Committee; and
- Any other member of the Corporate Management Group.

The independence of the contracted Head of Internal Audit is further safeguarded as his/her annual appraisal is not inappropriately influenced by those subject to internal audit.

To ensure that auditor objectivity is not impaired and that any potential conflicts of interest are appropriately managed, all internal audit staff are required to make an annual personal independence responsibilities declaration via a tailored 'My Compliance Responsibilities' portal which includes personal deadlines for:

- Annual Returns (a regulatory obligation regarding independence, fit and proper status and other matters which everyone in Mazars must complete); and
- Continuing Professional Development (CPD).

Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls. However, any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the Standards and Audit Committee. To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for a period of at least 12 months.

External Auditors

The External Auditors fulfil a statutory duty. Effective collaboration between Internal Audit and the External Auditors will help ensure effective and efficient audit coverage and resolution of issues of mutual concern. Internal Audit will follow up the implementation of internal control issues raised by External Audit.

Internal Audit and External Audit liaise periodically to:

- Plan the respective internal and external audits;
- Discuss potential issues arising from the external audit; and
- Share the results of significant issues arising from audit work.

Due Professional Care

The Internal Audit function is bound by the following standards:

- Chartered Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- UK Public Sector Internal Audit Standards;
- Relevant Authority Policies and Procedures; and
- Relevant legislation.

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK Public Sector Internal Audit Standards, on-going performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor. An external assessment was carried out in November 2016 which concluded that Mazars conforms to the requirements of the Public Internal Audit Standards and the Local Government Application Note.

A programme of Continuous Professional Development CPD is maintained for all staff working on internal audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies to deliver the risk-based plan. The Head of Internal Audit is required to hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.

Approved by the Standards and Audit Committee on XX XXX 2018

STANDARDS AND AUDIT COMMITTEE – 28 NOVEMBER 2019

INTERNAL AUDIT PROGRESS REPORT

Executive Summary

Financial Regulation 2.8 requires that the Chief Finance Officer shall report regularly to the Standards and Audit Committee on the work undertaken by Internal Audit. This report is accordingly submitted to the Committee for consideration.

This report covers audit activity and performance from 1 September to 15 November 2019.

Recommendations

The Committee is requested to:

RESOLVE That the report be received and progress against the 2019-20 Internal Audit Plan and implementation of Internal Audit recommendations be noted.

The Committee has the authority to determine the recommendation(s) set out above.

Background Papers: None.

Reporting Person: James Graham, Head of Internal Audit
Email: james.graham@mazars.co.uk

Contact Person: Leigh Clarke, Finance Director
Ext. 3277, E Mail: Leigh.Clarke@woking.gov.uk

Date Published: 20 November 2019

1.0 Introduction

- 1.1 Financial Regulation 2.8 requires that the Chief Finance Officer shall report regularly to the Standards and Audit Committee on the work undertaken by Internal Audit. This report covers audit activity and performance from 1 September to 15 November 2019.
- 1.2 The Standards and Audit Committee approved the 2019/20 Internal Audit Plan on 7 March 2019.
- 1.3 The purpose of this report is to outline the following in respect of Internal Audit Activity during the period:
 - An update on progress in delivering the 2019/20 internal audit plan;
 - A summary of any Limited/Nil Assurance reports issued and high priority recommendations raised;
 - An update on follow up activity and any recommendations outstanding for implementation, and
 - An update on recommendations raised in the recent Business Continuity internal audit.

2.0 Internal Audit Progress

2.1 The table below provides a summary of progress in terms of the number of reports at draft or final stage and those in progress:

Audit Status	Number of reviews	Percentage
Finalised	2	10
Draft	5	25
Fieldwork in progress	2	10
Not yet started	11	55
Total	20	100

- 2.2 35% of the 2019/20 plan has been delivered to at least draft report stage as at 15 November, with a further 10% of the plan in progress. For a further five audits (25%) terms of reference have been prepared and start dates agreed. This leaves six audits yet to be scheduled in:
 - Community Centres
 - Homelink
 - Facilities Management Contract Management
 - Community Infrastructure Levy
 - Brockwood Cemetery
 - Victoria Square Development – Change Control

2.3 At present, we are not expecting to be able to complete all audits in the 2019/20 plan to draft stage by the end of March 2020. For the six audits yet to be scheduled in, resources will be focussed on those areas considered to be of greatest risk to the Council.

3.0 Final Audit Reports Issued

3.1 We have four categories by which we classify internal audit assurance over the processes we examine: Substantial, Satisfactory, Limited or Nil.

3.2 Two final reports were issued in the period with one receiving a Limited Assurance opinion and one receiving a Satisfactory Assurance opinions. None of the reports currently at draft stage have a limited assurance opinion. The table below shows the final audit reports issued in the period.

Audit Title	Assurance Opinion	Date Issued	Recommendations by Priority		
			High	Medium	Low
Thamesway Milton Keynes Energy Centre Health and Safety	Satisfactory	08/11/2019	0	2	2
Counter Fraud	Limited	19/11/2019	2	3	1

3.3 Internal Audit categorise recommendations as High, Medium or Low priority to differentiate between the types of recommendation made. This gives management an indication on the importance and urgency of implementing the recommendations.

3.4 Two High priority recommendations were raised in the reports finalised in the period as per the table below. Details of all recommendations raised can be found in the summary reports for each individual audit provided separately to members.

Audit Title	Recommendation	Target Date
Counter Fraud	<p>A fraud risk assessment should be undertaken so as to provide a rational basis for prioritising counter fraud activity.</p> <p>The Council should use published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposure. This information should be used to evaluate the harm to the aims and objectives of the Council that different fraud risks may cause.</p> <p>The risk assessment should be reviewed periodically (at least annually) and reported to CMG.</p>	31/03/2020
Counter Fraud	<p>A Counter Fraud and Corruption Strategy should be developed to address the fraud risks identified (see recommendation 1).</p> <p>The strategy should include a mixture of both proactive and reactive approaches that are best suited to addressing the Council's fraud and corruption risks. Proactive and reactive components of a good practice response to fraud risk can be found in CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption.</p> <p>The strategy should include clear identification of responsibility and accountability for delivery of tasks within the strategy, and also for providing oversight.</p> <p>A report should be prepared for CMG and the Standards and Audit Committee (or another suitable committee) at least annually on performance against the counter fraud strategy.</p> <p>The Council should also comply with the Local Government Transparency Code 2015 requirement to publish data relating to the Council's counter fraud work.</p>	30/06/2020

4.0 Follow Ups

4.1 All recommendations have historically been entered onto an improvement plan in Shikari. Managers updated progress on the system and closed down the recommendations on the system once implemented. The Shikari system has been phased out and a new system to

track recommendations is being implemented. In the interim period the implementation of recommendations is being tracked manually.

- 4.2 The new Action Management system has been deployed to the Pre-Production platform in preparation for user acceptance testing. Once the system goes live the 2019/20 recommendations will be uploaded. The system is expected to be fully populated and operational in time for the 2020/21 financial year.
- 4.3 As at 15 November, there is 1 outstanding high priority recommendation (i.e. recommendations are past their agreed implementation dates that have not been confirmed as implemented) as follows.

Audit Title	Recommendation	Implementation Date	Progress Update
Homelessness Reduction Act	<p>Following Prevention, Relief or Main Duty being provided, a review of the claimant's PHP should be undertaken at least every 6 weeks (and in many cases more frequently) to ensure that the plan provided is appropriate for their current circumstances.</p> <p>Completion of regular reviews of PHPs should be monitored by the Senior Housing Options Officer.</p>	31/10/2019	<p>The Senior Housing Options Officer has discussed the audit recommendation with all officers and an initial review of outdated PHPs has been undertaken. The next stage is to put in place a mechanism to monitor and update PHPs more frequently. The new OPENHousing IT system (launching 2 December 2019) will build in more checks and balances to manage this.</p>

- 4.4 In addition to management updates on progress, spot checks are undertaken to confirm that recommendations are being implemented in practice. A procedure is in place to escalate recommendations that have not been implemented as agreed to CMG and finally to this committee where necessary.

5.0 Business Continuity

- 5.1 The report for the Business Continuity internal audit issued in September 2019 provided a Limited assurance opinion and raised two high priority and three medium priority recommendations. Committee members requested that a progress update be provided to the November Standards and Audit Committee. The table below shows each recommendation raised along with an update provided by management.

Recommendation	Progress
<p>1. Completion and Approval of the Business Continuity Plan (High priority)</p> <p>The Business Continuity Plan should be fully completed to cover all relevant elements of the business continuity process. Once completed, the plan should be presented to the Corporate Management Group for their review and approval.</p> <p>Once approved, the Business Continuity Plan should be made available to all relevant officers. Consideration should be given to placing the plan on the Council's intranet.</p> <p>Deadline: 30/11/2019</p>	<p>The completed documents provided with this report make up the complete Business Continuity Plan have been submitted to CMG for approval.</p> <p>A page on the intranet has been prepared, awaiting CMG's approval of the plans before making the page available to all staff.</p>

<p>2. Responsibilities for Business Continuity (Medium priority)</p> <p>2a. The link between Business Continuity, Emergency Planning and Disaster Recovery should be formalised. Consideration should be given to forming a group that brings these three functions together and provide leadership in the development and implementation of Business Continuity and Emergency Planning programs and strategies. Terms of Reference for this group should be developed setting out the following, but not limited to: roles and responsibilities, membership, frequency of meetings and quorum.</p> <p>2b. Consideration should also be given to putting in place additional resource to support the Senior Policy Officer in embedding Business Continuity across the Council. The roles and responsibilities of this officer should be assessed and documented.</p> <p>Deadlines:</p> <p>a. 31/10/2019</p> <p>b. 31/03/2020</p>	<p>The links between Business Continuity, Emergency Planning and Disaster Recovery are formalised within the Business Continuity Strategy.</p> <p>Following approval of these Plans, a six monthly meeting will be set up between the three areas to ensure that there is regular communication. The Emergency Planning and Disaster Recovery leads have been consulted on this and are supportive.</p>
<p>3. Guidance Documents and Awareness and Training (Medium Priority)</p> <p>Guidance documents and training and awareness exercises with regards to business continuity should be provided to all relevant officers.</p> <p>Deadline: 31/03/2020</p>	<p>This Business Continuity Plans provide full guidance and will be made available to all staff on the intranet.</p> <p>Tactical Management (SILVER) Teams have been involved in the creation of their Action Cards, so are aware of the process that will be carried out in the event of a Business Continuity disruption.</p> <p>Training is addressed in the Business Continuity Strategy. A formal training process should be put in place in 2020 assuming there is resource to do so.</p>
<p>4. Action Cards (High Priority)</p> <p>Action Cards should be produced for all critical functions classified as Disaster. The action cards should be reviewed on an annual basis or whenever there is a change.</p> <p>Deadline: 30/11/2019</p>	<p>All Action Cards for critical functions have been completed, barring some contact details that need to be added by the managers of the functions.</p> <p>The process of reviewing the Action Cards annually is formalised in the Business Continuity Strategy.</p>
<p>5. Testing the Plan (Medium priority)</p> <p>The Business Continuity Plan should be reviewed and tested on an annual basis. The results of the test should be documented together with lessons learnt and any improvement plans.</p> <p>Deadline 30/06/2020</p>	<p>The process of testing the Business Continuity Plan annually is formalised in the Business Continuity Strategy. This will need to be implemented in 2020 assuming there is resource to do so.</p>

6.0 Implications

Financial

- 6.1 There are minimal financial implications around the implementation of internal audit recommendations. Some audit recommendations are designed to improve value for money and financial control.

Human Resource/Training and Development

- 6.2 Some audit recommendations need officer resource to put in place.

Community Safety

- 6.3 There is a minimal impact on Community Safety.

Risk Management

- 6.4 Internal Audit identifies weaknesses in the control environment. Implementation of recommendations therefore improves the control environment and hence the management of risk.

Sustainability

- 6.5 There is minimal impact on sustainability issues.

Equalities

- 6.6 There is minimal impact on equalities issues.

Safeguarding

- 6.7 There is minimal impact on safeguarding issues.

REPORT ENDS

