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To: All Members of the AUDIT
COMMITTEE
(Other Members for Information)

When calling please ask for:
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Policy and Governance
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Direct line: 01483 523258
Date: 18 March 2022

Membership of the Audit Committee

Cllr Peter Marriott (Chairman)
Cllr Jerome Davidson (Vice Chairman)
Cllr Sally Dickson
Cllr Jan Floyd-Douglass

Cllr John Gray
Cllr Richard Seaborne
Cllr George Wilson

Dear Councillors

A meeting of the AUDIT COMMITTEE will be held as follows:

DATE: MONDAY, 28 MARCH 2022
TIME: 7.00 PM
PLACE:

The Agenda for the meeting is set out below.

Please note that due to current Covid restrictions, seating in the public gallery is extremely limited. This meeting will be webcast and can be viewed on [Waverley Borough Council's YouTube channel](#) or by visiting www.waverley.gov.uk/webcast.

Yours sincerely

ROBIN TAYLOR
Head of Policy and Governance

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NOTE FOR MEMBERS

Members are reminded that Contact Officers are shown in each report and members are welcome to raise questions, etc. in advance of the meeting with the appropriate officer.

AGENDA

1. **MINUTES**

To confirm the Minutes of the Meeting held on 29 November 2021 and published on the Councils Website.

2. **APOLOGIES FOR ABSENCE**

To receive apologies for absence.

3. **DISCLOSURE OF INTERESTS**

To receive from Members, declarations of interests in relation to any items included on the Agenda for this meeting, in accordance with the Waverley Code of Local Government Conduct.

4. **QUESTIONS BY MEMBERS OF THE PUBLIC**

The Chairman to respond to any questions received from members of the public of which notice has been duly given in accordance with Procedure Rule 10.

5. **QUESTIONS FROM MEMBERS**

The Chairman to respond to any questions received from Members in accordance with Procedure Rule 11.

PART I - RECOMMENDATIONS TO THE COUNCIL

There were no matters falling within this category.

6. **ANTI MONEY LAUNDERING POLICY** (Pages 1 - 24)

The Council will do all it can to prevent the Council and its staff being exposed to money laundering through criminal activity, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on the 26 June 2017. There has subsequently been two amendments, neither of which impact on this policy, The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 and Money Laundering and Terrorist Financing (Amendment) (EU Exit) Regulations 2020. Although Local Authorities are not obliged to comply with the requirements of this legislation the Chartered Institute of Public Finance and Accounting (CIPFA) advises that an organisation should consider a policy framework which supports the implementation of the counter fraud strategy and includes an anti-money laundering policy to prevent the use of their services for money laundering.

Recommendation

The Audit Committee are asked to note the Draft Policy and make comments for the Executive to consider prior to final approval.

7. FINANCE REGULATIONS (Pages 25 - 66)

The Audit Committee is asked to consider the update to the Financial Regulations and recommend them to the Council, in compliance with the Audit Committee Terms of Reference under Article 8 of the Constitution. Specifically, the Audit Committee is required to maintain an overview of the Council's Constitution in respect of financial regulations.

Recommendation

It is recommended that the Committee recommends the update to the Financial Regulations to the Council for adoption.

PART II - MATTERS OF REPORT

8. REVIEW OF THE STRATEGIC RISK REGISTER (Pages 67 - 78)

The Strategic Risk Register is a key governance document underpinning the delivery of the Corporate Strategy 2020 - 2025. The register focuses on the risks that are inherent in delivering the strategic objectives selected and designed to deliver the strategic priorities.

The Audit Committee is charged within its Terms of Reference to ensure that the council has an effective risk management framework in operation. The risk register is therefore a part of the governance documentation used within the risk management framework. It is therefore important that members of the committee have an oversight of the Strategic Risk register to gain assurance of its effective operation.

Recommendation

The Audit Committee review the detail provided in annexe 2 and 3 and provide feedback to officers.

9. CPR UPDATE (Pages 79 - 108)

These CPRs set out the minimum requirements the council must follow when procuring and/or entering into Contracts for the supply of goods, works and services including consultants.

The CPRs are put in place to ensure that the council gets value for money for residents, complies with all legal requirements, minimises the risk of challenge / undue criticism, supports social value and sustainability and provides transparency as to how it spends public money.

Recommendation

The Audit Committee are asked to **APPROVE** the draft CPR's and make recommendation to Council to approve.

10. UPDATE ON THE FINANCIAL MANAGEMENT CODE (Pages 109 - 126)

The Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets out the standards of financial management for local authorities. Each local authority must demonstrate that the requirements of the code are being satisfied.

Demonstrating this compliance with the FM Code is a collective responsibility of elected members, the chief finance officer (CFO) and their professional colleagues in the leadership team. This report updates the committee on progress and sets out proposed actions to strengthen compliance.

Recommendation

That the Audit Committee note the progress on the Financial Management Code and endorse the Action Plan set out in this report.

11. ACCOUNTING POLICIES

Verbal update on accounting policies.

12. ANNUAL GOVERNANCE STATEMENT - CONSIDERATION OF POTENTIAL GOVERNANCE ISSUES.

To enable the Committee to raise any potential emerging governance issues that may need to be addressed.

Recommendation

The Committee is invited to raise any potential emerging governance issues for consideration.

13. AUDIT CHARTER (Pages 127 - 140)

This report provides the Audit Committee with an overview of Waverley's Internal Audit Charter that has been developed in accordance with the requirements of the Public Sector Internal Auditing Standards.

These standards apply to all internal audit service providers, whether in-house, shared services or outsourced. The Public Sector Internal Audit Standards (PSIAS) (Attribute Standard 1000) requires organisations to have an Internal Audit Charter that formally defines the purpose, authority and responsibility of the internal audit activity, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards.

Recommendation

It is recommended that the Audit Committee notes the amendments and approves the Internal Audit Charter as attached in Annexe 1.

14. REVIEW OF PROGRESS IN THE IMPLEMENTATION OF INTERNAL AUDIT ACTIONS (Pages 141 - 160)

To inform the Audit Committee of Senior Management's progress in implementing the actions raised by Internal Audit following a review in their service areas. This report will enable the Committee to consider what action is required in respect of those that are overdue or appear likely to be implemented later than the target date.

Recommendation

It is recommended that the Committee considers the information contained and, following discussion at the Audit Committee meeting identifies any action it wishes to be taken.

15. REVIEW OF THE PROGRESS IN ACHIEVING THE AUDIT PLAN (Pages 161 - 184)

The Committee's Terms of Reference include provision for the Committee to approve, monitor and comment on the progress made in the achievement of the Internal Audit Plan. An update on the current position of the internal audit reviews is attached.

Recommendation

It is recommended that the Committee notes the contents of the Internal Audit Progress report as attached.

16. PROPOSED INTERNAL AUDIT PLAN 2022-2023 (Pages 185 - 198)

The Committee's terms of reference include provision for the Committee to approve the proposed Internal Audit Plan. This report presents the proposed Draft Internal Audit Plan for 2022-23 and the Committee is invited to comment and approve the Audit Plan. The plan has been drawn up by the Internal Audit Manager through completing a risk assessment of the audit universe of the

council's activities including consultation with Senior Management Team.

The draft audit plan also contains those reviews that were deferred from 2021-22 audit plan identifiable by the inclusion of (C/F 2021-22).

Recommendation

It is recommended that the Audit Committee comments and approves the proposed Draft Internal Audit Plan for 2022-23 as attached in Annexe 1.

17. AUDIT COMMITTEE RECURRENT ANNUAL WORK PROGRAMME (Pages 199 - 200)

The Committee's annual recurrent work programme is attached. The work programme details regular items, but other items can be submitted to each meeting on an ad hoc basis or at the request of the Committee.

Recommendation

The Audit Committee is invited to note its recurrent annual work programme.

18. EXCLUSION OF PRESS AND PUBLIC

To consider the following recommendation on the motion of the Chairman:

Recommendation

That pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item(s) on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item(s), there would be disclosure to them of exempt information (as defined by Section 1001 of the Act) of the description specified in the appropriate paragraph(s) of the revised Part 1 of Schedule 12A to the Local Government Act 1972 (to be identified at the meeting).

19. ANY OTHER ISSUES TO BE CONSIDERED IN EXEMPT SESSION

To consider any matters relating to aspects of any reports on this agenda which, it is felt, may need to be considered in exempt session.

**For further information or assistance, please telephone
Kimberly Soane, Democratic Services Officer, on 01483 523258 or by
email at Kimberly.soane@waverley.gov.uk**

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

28/03/2022

Title:

Anti Money Laundering Policy– 2022 Update

Portfolio Holder: Cllr Mark Merryweather, Portfolio Holder for Finance, Assets & Commercial Services

Head of Service: Peter Vickers, Head of Finance and Property

Key decision: No

Access: Public

1. Purpose and summary

- 1.1 The Anti Money Laundering Policy form part of the Council's governance toolkit supported primarily by the council Financial Regulations. It should be maintained and updated as and when required to adopt legislative changes and reflect best practice in the industry.
- 1.2 The policy was last updated and approved by full Council in 2019. Whilst it is still fit for purpose there is some redundant terminology throughout which requires replacing, this consist of replacing the now defunct Serious Organised Crime Agency SOCA with the current National Crime Agency (NCA).

2. Recommendation

The Audit Committee agree that the proposed amendments be approved and incorporated.

3. Reason for the recommendation

To adopt legislative changes, reflect best practice in the industry and support the Council's corporate objectives.

4. Relationship to the Corporate Strategy and Service Plan

- 4.1 The Policy forms part of the Council's governance framework.

5. Implications of decision

5.1 Resource (Finance, procurement, staffing, IT)

No direct financial implications arise from this report. Implementation of the update will be achieved using current resources.

Application of this policy helps safeguard council resources.

5.2 Risk management

5.3 Legal

The Terrorism Act 2000, Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 place the Council under a duty to take reasonable steps to minimise the risk of becoming involved in money laundering and to have in place safeguards and reporting arrangements for those purposes.

5.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report.

5.5 Climate emergency declaration

Not applicable

6. Consultation and engagement

6.1 Input sought from all council services

7. Other options considered

7.1 No other options considered

8. Governance journey

8.1 Audit to approve

Annexes:

Annexe 1 – Anti Money Laundering Update 2022 - Anti Money Laundering Policy 2022

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

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Position: Procurement Officer

Telephone: 0148 3523149

Email: Patrick.tuite@waverley.gov.uk

Agreed and signed off by:

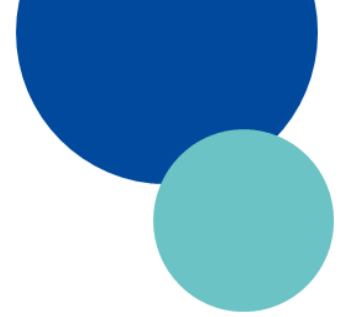
Legal Services: 25.02.22

Head of Finance: date

Strategic Director: date

Portfolio Holder: date

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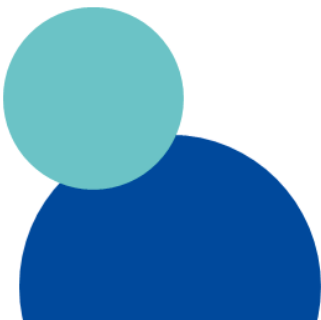


Waverley Borough Council

Anti-Money Laundering Policy

Latest version number: 1.2
Latest publication date:

DRAFT



Document Information & Governance

Approval & Publication:

Approving Body	Approval route requirement	Publication Type	Publication requirement	Review frequency	Document owner	Next Review Date
Audit Committee	Audit recommend approval at council	Internal/ external	Compliments the councils Financial Regulations	Annual	PT	1 year after full council approval

Version Control Information:

Version	Version Status (<i>Draft, Approved /Published Internally or Externally</i>)	Date	Version Comment	Version Author
V1	Published	05/08/2019	1 st Publication	VB
V1.1	Update - Draft	16/03/2022	Changes following review	PT
V1.2	Approved Draft		Approved by the Audit Committee	
V1.2	Final Approval		Council Approval & Publication	

Impact Assessments and Consideration:

Impact Assessment Type	Required / Not Required
Equality Impact Assessment	Not Required
Data Protection Impact Assessment	Not Required
Climate Change	Not Required

Introduction

- 1.1 The Council will do all it can to prevent the Council and its staff being exposed to money laundering through criminal activity, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.
- 1.2 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on the 26 June 2017. There has subsequently been two amendments, neither of which impact on this policy, The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 and Money Laundering and Terrorist Financing (Amendment) (EU Exit) Regulations 2020. Although Local Authorities are not obliged to comply with the requirements of this legislation the Chartered Institute of Public Finance and Accounting (CIPFA) advises that an organisation should consider a policy framework which supports the implementation of the counter fraud strategy and includes an anti-money laundering policy to prevent the use of their services for money laundering.

2. Scope

- 2.1 This Policy applies to all officers, whether permanent or temporary, and Members of the Council. Officers and Members must be familiar with their responsibilities in preventing criminal activity through money laundering and must be vigilant at all times.
- 2.2 The policy applies to all areas of work undertaken by the Council.
- 2.3 The Policy sets out the procedures which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council to comply with its legal obligations.
- 2.4 Further information is set out in the accompanying Guidance on page 10.
- 2.5 This Policy sits alongside the Council's Whistleblowing Policy and Anti-Fraud and Corruption Policy.
- 2.6 Failure by an officer or Member to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary and Capability Procedure.

3. Definition of Money Laundering

3.1 Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. The following constitute the act of money laundering:

- concealing, disguising, converting, transferring criminal property or removing it from the UK
- entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- acquiring, using or possessing criminal property
- doing something that might prejudice an investigation (for example falsifying a document)

These are the primary money laundering offences, and are therefore prohibited acts under the legislation. There are also two secondary offences:

- Failure to disclose any of the primary offences
- Tipping off - where someone informs a person or people who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation. Tipping off carries a maximum penalty of five years imprisonment.

3.2 Potentially any officer or Member could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it.

4. Obligations on the Council

4.1 The Council is required to establish and maintain policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing. This includes:

- appointing a Money Laundering Reporting Officer (MLRO) to receive disclosures from officers and members of money laundering activity
- implementing a reporting procedure to enable the reporting of suspicions of money laundering
- The policies, controls and procedures must be:
 - proportionate with regard to the size and nature of the relevant person's business, and
 - approved by its senior management.
- The policies, controls and procedures must be regularly reviewed and must include:

- cash payments
- risk management practices
- internal controls
- customer due diligence
- record keeping procedures
- the monitoring and management of compliance with, and the internal communication of, such policies, controls and procedures.
- training to recognise transactions that may indicate money laundering
- maintaining client identification procedures in certain circumstances

5. The Money Laundering Reporting Officer (MLRO)

- 5.1 The officer nominated to receive disclosures about money laundering activity within the Council is the Head of Finance, Peter Vickers. He can be contacted as follows:

Peter Vickers
Head of Finance
Waverley Borough Council
Council Offices
The Burys
Godalming
Surrey
GU7 1HR

e-mail: peter.vickers@waverley.gov.uk
Telephone: 01483 523539

- 5.2 In the absence of the MLRO contact the Internal Audit Client Manager, Gail Beaton, at the above address or on telephone number 01483 523260.

6. Reporting Procedure

- 6.1 Where an officer or Member becomes aware or suspects that money laundering may have taken place (or may be taking place) they must contact the MLRO regardless of the amount.
- 6.2 If an officer or Member becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation it must be reported to the MLRO. Disclosure must be within hours of the information coming to light. Failure to do this may render the officer or Member liable to prosecution.
- 6.3 Disclosure should be made to the MLRO using the form at Appendix A to this policy. Full details must be included in the form.
- 6.4 If the officer or Member is concerned that their involvement in the transaction would amount to a prohibited act under the definition of Money Laundering at paragraph 3. consent will be needed from the National Crime Agency (NCA), via the MLRO, to take

any further part in the transaction - this is the case even if the client gives instructions for the matter to proceed before such consent is given. The officer or Member should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline.

- 6.5 Information given in the reporting form must enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable the MLRO to prepare a report to NCA, where appropriate.
- 6.6 Once the matter is reported to the MLRO, officers and Members must follow any directions given by the MLRO. They must NOT make any further enquiries into the matter themselves and must co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- 6.7 Similarly, at no time and under no circumstances should the officer or Member voice any suspicions to the person(s) suspected of money laundering, even if NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO otherwise a criminal offence of “tipping off” (see the Guidance Note for further details) may be committed.
- 6.8 No reference should be made on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render an officer or Member liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

Consideration of the disclosure by the MLRO

- 6.9 Upon receipt of a report, the MLRO must complete the MLRO part of the form, note the date of receipt of the report and acknowledge receipt of it. The MLRO should also advise the officer or Member of the timescale within which a response should be expected.
- 6.10 The MLRO will consider the report and any other available internal information that is relevant eg:
 - reviewing other transaction patterns and volumes
 - the length of any business relationship involved
 - the number of any one-off transactions and linked one-off transactions
 - any identification evidence held
- 6.11 The MLRO will undertake such other reasonable inquiries considered appropriate in order to ensure that all available information is taken into account in deciding whether a report to NCA is required (such enquiries being made in such a way as to avoid any

appearance of tipping off those involved). The MLRO may also need to discuss the report with the officer or Member.

- 6.12 Once the MLRO has evaluated the disclosure report and any other relevant information, the MLRO must make a timely determination as to whether:
- there is actual or suspected money laundering taking place; or
 - there are reasonable grounds to know or suspect that is the case; and
 - whether there is a need to seek consent from NCA for a particular transaction to proceed.
- 6.13 Where the MLRO does so conclude, the matter must be disclosed as soon as practicable to NCA on their standard report form and in the prescribed manner, unless there is a reasonable excuse for non-disclosure to NCA (for example, a lawyer can claim legal professional privilege for not disclosing the information).
- 6.14 Where the MLRO suspects money laundering but has a reasonable excuse for non-disclosure, the report must be noted accordingly. Consent can then be given immediately for any ongoing or imminent transactions to proceed.
- 6.15 In cases where legal professional privilege may apply, the MLRO must liaise with the legal adviser to decide whether there is a reasonable excuse for not reporting the matter to NCA.
- 6.16 Where consent is required from NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until NCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from NCA.
- 6.17 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering the MLRO shall mark the report accordingly and give consent for any ongoing or imminent transaction(s) to proceed.
- 6.18 All disclosure reports referred to the MLRO and reports made by the MLRO to NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 6.19 The MLRO commits a criminal offence if the MLRO knows or suspects, or has reasonable grounds to do so, through a disclosure being made, that another person is engaged in money laundering and the MLRO does not disclose this as soon as practicable to NCA.

7. Policies, Controls and Procedure

Cash payments

- 7.1 No cash payment to the Council will be accepted if it exceeds £5,000 (including notes, coins or traveller cheques in any currency). Any incidents of someone trying to make a cash payment in excess of £5,000 must be reported to the MLRO regardless of whether you suspect money laundering activity or not.

Risk Management

- 7.2 Risk will be assessed by taking into account risk factors including factors relating to:
- The Council's customers
 - The area in which the Council operates
 - The Council's services
 - The Council's transactions
 - The Council's delivery channels
- 7.3 Whilst the risk to the Council of contravening the legislation is low, it is extremely important that all officers and Members are familiar with their legal responsibilities.
- 7.4 The risk to the Council of contravening the anti-money laundering legislation will be assessed on a periodic basis and the adequacy and effectiveness the Anti-Money Laundering Policy will be reviewed in light of such assessments.

Internal Controls

- 7.5 The internal controls include:
- appointing a 'nominated officer' and making sure that employees know to report any suspicious activity to them (the MLRO)
 - identifying the responsibilities of senior managers and providing them with regular information on money laundering risks
 - training relevant employees on their anti-money laundering responsibilities
 - documenting and updating your anti-money laundering policies, controls and procedures
 - introducing measures to make sure that the risk of money laundering is taken into account in the day-to-day running of your business
- 7.6 The independent audit function has responsibility:

- I. to examine and evaluate the adequacy and effectiveness of the policies, controls and procedures
- II. to make recommendations in relation to those policies, controls and procedures
- III. to monitor compliance with those recommendations.

7.7 New technology – where new technology is adopted the Council will ensure appropriate measures are taken to assess and, if necessary, mitigate any money laundering or terrorist financing risks this new technology may cause.

Customer Due Diligence

7.8 Customer due diligence means that the Council must know its customers and understand their businesses so that it is in a position to know if there is suspicious activity that should be reported.

7.9 Customer due diligence means:

- (a) identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source.
- (b) identifying where there is a beneficial owner who is not the customer owner and taking adequate measures, on a risk-sensitive basis, to verify their identity and where the beneficial owner is a trust or similar understand the ownership and control structure of the trust or arrangement.
- (c) obtaining information on the purpose and intended nature of the business relationship.

7.10 The Regulations regarding customer due diligence are detailed and complex, but there are some simple questions that will help decide if it is necessary:

- Is the service a regulated activity (see 7.11)
- Is the Council charging for the service ie is it 'by way of business'?
- Is the service being provided to a customer other than a UK public authority?

If the answer to any of these questions is **no** then there is no need to carry out customer due diligence.

If the answer to all these questions is **yes** then customer due diligence must be carried out before any business is undertaken for that client. If there is uncertainty whether customer due diligence is required then the MLRO should be contacted for advice.

7.11 Regulated activity is defined as the provision 'by way of business' of: advice about tax affairs; accounting services; treasury management, investment or other financial

services; audit services; legal services; estate agency; services involving the formation, operation or arrangement of a company or trust or; dealing in goods wherever a transaction involves a cash payment of £10,000 or more.

7.12 Customer due diligence must also be applied if a person carries out an occasional transaction that amount to 15,000 euros or more, whether the transaction is executed in a single operation or in several operations with appear to be linked. This applies to all transactions and can include dealings with agents, third parties, property or equipment, cheques, cash or bank transfers.

7.13 Where customer due diligence is required then evidence of identity must be sought, for example:

- details of your customer's business or employment (checking with the customer's website to confirm their business address)
- the source and origin of funds that your customer will be using in the relationship
- copies of recent and current financial statements
- the expected level and type of activity that will take place in your relationship
- conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors
- details of the relationships between signatories and any underlying beneficial owners
- seeking evidence from the key contact of their personal identity, for example their passport, and position within the organisation

7.14 The requirement for customer due diligence applies immediately for new customers and should be applied on a risk sensitive basis for existing customers. Ongoing customer due diligence must also be carried out during the life of a business relationship but should be proportionate to the risk of money laundering and terrorist funding, based on the officer's knowledge of the customer and a regular scrutiny of the transactions involved.

7.15 If, at any time, it is suspected that a client or customer for whom the Council is currently, or is planning to carry out, a regulated activity is carrying out money laundering or terrorist financing, or has lied about their identity then this must be reported to the MLRO.

Enhanced Due Diligence

7.16 In certain circumstances enhanced customer due diligence must be carried out for example where:

- There is a high risk of money laundering or terrorist financing
- The person has provided false or stolen identification

- the customer has not been physically present for identification
- the customer is a politically exposed person
- there is a beneficial owner who is not the customer – a beneficial owner is any individual who: holds more than 25% of the shares, voting rights or interest in a company, partnership or trust

7.17 Enhanced customer due diligence could include any additional documentation, data or information that will confirm the customer's identity and/or the source of the funds to be used in the business relationship/ transaction. If it is believed that enhanced customer due diligence is required then the MLRO should be consulted prior to carrying it out.

7.18 The enhanced due diligence measures when you deal with a politically exposed person are:

- making sure that only senior management gives approval for a new business relationship
- taking adequate measures to establish where the person's wealth and the funds involved in the business relationship come from
- carrying out stricter ongoing monitoring of the business relationship

Record Keeping

7.19 The Council will keep a record of all customer due diligence measures carried out, including:

- customer identification documents obtained
- risk assessments
- your policies, controls and procedures
- training records

7.20 Each Service of the Council and contractors working for the Council conducting relevant business must maintain records of:-

- a) Due diligence and customer identification evidence obtained - which must be kept for five years after the end of the transaction or relationship
- b) Details of all relevant business transactions carried out for clients for at least five years from the completion of the transaction. This is so that they may be used as evidence in any subsequent investigation by the authorities into money laundering.

7.21 Any personal data obtained for the purpose of the regulations may only be processed for the purposes of preventing money laundering or terrorist financing.

7.22 The MLRO must be informed of the existence and location of such records.

- 7.23 The records must be capable of providing an audit trail during any subsequent investigation, eg distinguishing the client and the relevant transaction and recording in what form any funds were received or paid.
- 7.24 An electronic copy of every customer due diligence record must be sent to the MLRO to meet the requirements of the Regulations and in case of inspection by the relevant supervising body.
- 7.25 Monitoring and Management of Compliance with, and Internal Communication of Policies, Controls and Procedures.
- 7.26 In support of the policy and procedure, the council will:
- Endeavour to make all staff aware of the requirement and obligation placed on the council and on themselves as individuals by the anti-money laundering legislation; and
 - Provide targeted training where it has been identified staff are most likely to encounter money laundering

8. Training

- 8.1 The Council has a commitment to training employees so they're aware of their responsibilities.
- 8.2 Training will be targeted to areas where large sums of money may be received by the Council.

9. Maintain client identification procedures in certain circumstances

- 9.1 You also need to identify the 'beneficial owner' in certain situations. This may be because someone else is acting on behalf of another person in a particular transaction, or it may be because you need to establish the ownership structure of a company, partnership or trust.
- 9.2 As a general rule, the beneficial owner is the person who's behind the customer and who owns or controls the customer, or it's the person on whose behalf a transaction or activity is carried out.
- 9.3 If you have doubts about a customer's identity, you must stop dealing with them until you're sure.

10. Further Information

10.1 Further information can be obtained from the MLRO and the following sources:

www.nationalcrimeagency.gov.uk – website of the National Crime Agency

“Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for Public Service Organisations” – CIPFA

“Anti-Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants” – CCAB (**www.ccab.org.uk**)

Money Laundering Guidance at **www.lawsociety.org.uk**

SI 2007 No. 2157 The Money Laundering Regulations 2007 at:
http://www.hm-treasury.gov.uk/consultations_and_legislation/money_laundering_directive/consult_moneylaundering_2007.cfm

11. Guidance

11.1 Circumstances that may be susceptible to money laundering:

- The areas where large sums of money may be received by the Council, including:
 - Council Tax
 - Business Rates
 - Rent or Rent Arrears payments
 - Hire of venues, and Licensing
- Sale of Council land/buildings (as sale proceeds could be in cash)
- Sale of Council properties under right to buy scheme
- Investments – this would cover activities such as the issue of local bonds or transfers to for from non UK banks

11.2 Indicators that might be warning signs:

- Transactions that are complex and unusually large or there is an unusual pattern of transactions
- Where the person you are dealing with is excessively secretive or obstructive
- Transactions or trade that appear to make no commercial, economic or legal purpose
- any other activity or situation which may be regarded as particularly likely by its nature to be related to money laundering or terrorist financing
- transactions which might favour anonymity
- Large volume/large cash transactions
- An overpayment or duplicate payment in cash where the refund is requested by cheque or BACS
- Payments received from third parties

- Where a customer pays funds to the Council but then ends the transaction for no apparent reason, or unexpectedly asks for the money to be refunded or forwarded to a third party
- Where a customer tells you that funds are coming from one source and at the last minute the source changes
- Absence of an obvious legitimate source of funds eg where an individual is on low income and is purchasing a property from the Council
- Movement of funds overseas, particularly to a high risk country
- Individuals or companies that are insolvent but have funds
- Purchase of property (eg Council house) where no mortgage is involved
- Use of cash where other means of payment are normal
- Unusual transactions or ways of conducting business
- Use of overseas companies
- New companies

Client identification

11.3 This means obtaining a customer's:

- name
- photograph on an official document which confirms their identity
- residential address and date of birth

11.4 Satisfactory evidence of personal identity includes:

- Passport or photo driving licence.
- Utility bills, bank statements and other official documents. Other sources of customer information include the electoral register and information held by credit reference agencies such as Experian and Equifax. (Mobile phone bills are not acceptable).
- Satisfactory evidence of corporate identity can be through company formation documents or business rates documents.

11.5 You also need to identify the 'beneficial owner' in certain situations. This may be because someone else is acting on behalf of another person in a particular transaction, or it may be because you need to establish the ownership structure of a company, partnership or trust. As a general rule, the beneficial owner is the person who's behind the customer and who owns or controls the customer, or it's the person on whose behalf a transaction or activity is carried out.

11.6 If you have doubts about a customer's identity, you must stop dealing with them until you're sure.

- 11.7 In circumstances where the client cannot be physically identified the officer should be aware that :
- a) there is greater potential for money laundering if the client is not physically present when being identified;
 - b) if satisfactory evidence is not obtained the relationship or the transaction should not proceed;
 - c) if the client acts, or appears to act for another person, reasonable measures must be taken for the purposes of identifying that other person.
- 11.8 The types of record you keep may include:
- daily records of transactions
 - receipts
 - cheques
 - paying-in books
 - customer correspondence
- 11.9 The formats that you can keep your records in are:
- originals
 - photocopies
 - microfiche
 - scanned
 - computerised or electronic
- 11.10 You must keep your records for five years beginning from:
- the date a business relationship ends
 - the date a transaction is completed

Confidential

Report to the Money Laundering Reporting Officer Money Laundering Activity

From	
Job Title	
Telephone No	
Email	

Details of suspected offence

Name(s) and address(es) of person(s) involved <i>[if a company/public body please include details of nature of business]</i>	
Name	
Date of birth	
Address	
Company names	
Directorships	
Phone numbers	
Other relevant information	
Nature, value and timing of activity involved <i>(Please include full details)</i>	
Date (has it happened, ongoing or imminent)	
Description of activity	
(Likely) amount of money/assets involved	
Where activity took place	
How the transaction was undertaken	

Single transaction or series				
Reason for suspicion (full reasons)				
Evidence (provide any supporting documentation)				
Nature of involvement:				
Does your involvement constitute a prohibited act under the definition of money laundering?				
Do you need consent from the NCA to take any further part in the transaction?				
Is there a deadline that consent is needed by? ie from a deadline of the transaction				
Has any investigation been undertaken as far as you are aware? (if Yes please give details below)	Yes		No	
Have you discussed your suspicions with anyone else? (if Yes please specify below, explaining why such discussion was necessary)	Yes		No	
Have you consulted any supervisory body guidance re money laundering? Eg the Law Society (if Yes please specify below)	Yes		No	
Has any investigation been undertaken as far as you are aware? (if Yes please give details below)	Yes		No	
Do you feel you have a reasonable excuse for not disclosing the matter to the NCA? (if Yes please give details below)	Yes		No	
Please give any other information you feel is relevant:				
Signed:	Dated:			

Completion by Money Laundering Reporting Officer Money Laundering Activity

Date report received	
Date receipt of report acknowledged	

Details of suspected offence

Consideration of Disclosure			
Action plan:			
Outcome of Consideration of Disclosure			
Are there reasonable grounds for suspecting money laundering activity?			
If there are reasonable grounds for suspicion will a report be made to NCA? If Yes please complete below	Yes		No
Date of report to NCA			
Details of liaison with NCA regarding the report:	Notice period:	to	
	Moratorium period:	to	
Is consent required from NCA to any ongoing or imminent transactions which would otherwise be prohibited acts? If Yes please confirm full details below	Yes		No
Date consent received from NCA			

Date consent given by MLRO to officer	
If there are reasonable grounds to suspect money laundering but you do not intend to report the matter to NCA please set out the reason(s) for non disclosure below:	
Date consent given by MLRO to officer for any prohibited act transaction to proceed	
Other relevant information	
Signed:	Dated:

This report should be retained for at least five years.

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WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

28 MARCH 2022

Title:

FINANCIAL REGULATIONS UPDATE

Portfolio Holder: Cllr Mark Merryweather, Portfolio Holder for Finance, Assets and Commercial Services

Head of Service: Peter Vickers, Head of Finance and Property

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 The Audit Committee is asked to consider the update to the Financial Regulations and recommend them to the Council, in compliance with the Audit Committee Terms of Reference under Article 8 of the Constitution. Specifically, the Audit Committee is required to maintain an overview of the Council's Constitution in respect of financial regulations.

2. Recommendation

It is recommended that the Committee recommends the update to the Financial Regulations to the Council for adoption.

3. Reason for the recommendation

To ensure Waverley policies are kept up to date and relevant to the environment in which it works, minimising risks to the Council and its funds.

4. Background

- 4.1 The Financial Regulations were last updated in December 2019. In line with the commitment of continual review within the Annual Governance Statement the Financial Regulations have been reviewed and two changes are proposed.
- 4.2 The objective of the update to the Financial Regulations is to enhance the Council's governance arrangements to remain secure in relation to risk and statutory compliance and to propose changes that lead to improvements in process and efficiency.

- 4.3 The main updates relates to the following areas which are detailed in Annexe 1:
- a) Explicit that the Deputy S151 has authority to act as the S151 (2.2)
 - b) Stricter control regarding funding agreements and changes to funding agreements being agreed by S151 officer. (2.17)
 - c) Requirement for business case for capital bids (3.11)
 - d) Stricter controls on contractual disputes being reported to S151 (4.1)
 - e) Reference to IR35 rules in Contract Procurement Rules (4.12)
 - f) Control on how staff bank detail changes will only be accepted through the payroll system (5.8)
 - g) Clarification of External audit checking registers (16.1)

Other small clarifications in line with the original document have also been included in the draft to improve the document.

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 The Financial Regulations directly underpin the financial governance arrangements for the Council and affect the way services deliver on corporate priorities.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

There are no direct resource implications.

6.2 Risk management

Reviewing the Councils policies will support management and mitigation of financial risk.

6.3 Legal

Reports should be sent to legal services for review at least 4 working days before the final agenda reports deadline.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

n/a

7. Consultation and engagement

- 7.1 None.

8. Other options considered

- 8.1 None.

9. **Governance journey**

9.1 Council – April 2023

Annexes:

Annexe 1 – Draft Financial Regulations

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

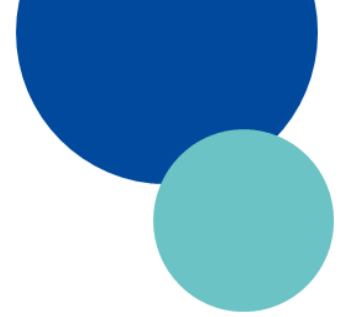
Legal Services: date

Head of Finance: date

Strategic Director: date

Portfolio Holder: date

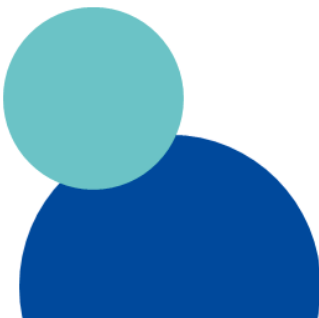
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Waverley Borough Council
Financial Regulations

Latest version number: V5
Latest publication date: 10/12/2019

DRAFT



Document Information & Governance

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Approving Body	Approval route requirement	Publication Type	Publication requirement	Review frequency	Document owner	Next Review Date
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<i>Management Board</i>	<i>There are no legal or constitutional requirements for approval</i>	<i>Internal</i>	<i>There are no legal or constitutional requirements for publication</i>	<i>Annual</i>	<i>Financial Services Manager</i>	<i>March 2023</i>

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V3	Published	16/10/18	Full Annual review	
V4	Published	19/03/19	Full Annual review	
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Impact Assessments and Consideration:

Impact Assessment Type	Required / Not Required	Date Completed	Impact Assessments and Considerations Comment	Assessment Owner
Equality Impact Assessment	Not Required			
Data Protection Impact Assessment	Not Required			
Climate Change	Not Required			

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Document Statement

These Financial Regulations set out the financial policies and a framework of financial management and accountability for the proper administration of Waverley Borough Council's (the Council's) financial affairs. Each of the financial regulations sets out the overarching financial responsibilities of officers. They link with other internal regulatory documents forming part of the Council's Constitution, for example the Scheme of Delegation and Contract Procurement Rules. They also ensure robust procedures are in place to provide the necessary assurance to the Council about the adequacy of the finance and governance arrangements underpinning the Annual Governance Statement. Financial Regulations apply to everyone involved in financial transactions and managing resources for the Council and any organisation over which the Council performs a role of stewardship.

Scope and Purpose

1. Key principles

- The Financial Regulations are approved by Full Council.
- The Financial Regulations comply with all extant laws and statutes.
- All financial business conducted is lawful within the powers of a local authority.
- Rules and procedures should be proportionate and not unnecessarily bureaucratic.
- Due diligence is exercised in all financial transactions.
- Financial Regulations enable the Council to conduct business efficiently.
- Financial governance is always considered.
- All expenditure shall be within an identified budget, there is no authority to spend without or beyond an approved budget.
- Value for Money is considered in all transactions undertaken.
- Only goods, works and services legitimately required by the Council are purchased.
- All income due shall be collected, recorded, held securely and banked promptly.
- All expenditure is properly recorded and accounted for correctly.
- Economical, efficient and effective use of resources.
- Assets are safeguarded.
- Authorisation processes protect against self-certification.
- Officers shall not enter into any credit arrangements, such as leasing agreements, without the prior approval of the Section 151 officer.
- Officers cannot commit the Council to on-going contracts without budget approval.
- Investment/divestment is appropriately scrutinised and supported by a business case.
- Financial records will be kept in accordance with the Council's prevailing documents retention policy.
- Risk management procedures and controls are in place.

2. Statutory Requirements, Compliance and Responsibilities

Statutory Requirements

Section 151 Local Government Act 1972

- 2.1 Section 151 of the Local Government Act 1972 requires that the Council makes arrangements for the proper administration of its financial affairs. Financial regulations are the means by which the Council meets this requirement by setting out a clear regulatory and accountability framework for the use of its resources.
- 2.2 The Deputy S151 Officer has full authority to act as the S151 Officer for all aspects of the Financial Regulations.

Section 114 Local Government Act 1988

- 2.3 Section 114 Local Government Finance Act 1988 requires the Section 151 Officer to report to Full Council and external audit if the Council or one of its officers:
- has made or is about to make a decision which involves the Council incurring expenditure which is unlawful;
 - has taken or is about to take unlawful action which has resulted or would result in a loss or deficiency to the Council; or
 - is about to make an unlawful entry in the Council's accounts.
- 2.4 Section 114 of the 1988 Act also requires:
- the Section 151 Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally; and
 - the authority to provide the Section 151 Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.

Compliance

- 2.5 Financial Regulations apply to everyone involved in financial transactions and managing resources for the Council and any organisation over which the Council performs a role of stewardship. The purpose of these Financial Regulations is to ensure transparency and protection of the Council's resources and individual officers.
- 2.6 Where the regulations are not specific, officers shall refer to the Section 151 Officer for guidance.
- 2.7 Failure to comply with the Financial Regulations, or the instructions issued under them, may constitute gross misconduct. Breaches of Financial Regulations shall be reported to the Council's Internal Audit Client Manager who will make arrangements for investigation and recommendations for action to be taken.

Responsibilities

- 2.8 The Financial Regulations identify the financial responsibilities of all officers, or anyone acting on their behalf, and Members of the Council. Officers and Members shall comply with the financial regulation relevant to the transaction they are undertaking and have a responsibility for taking reasonable action to provide for the security of the resource or assets under their control.
- 2.9 The responsibilities are sub-delegated out to officers through the Scheme of Delegation. Without delegated authority no officer of the Council shall commit the Council to expenditure.
- 2.10 All officers have a duty to ensure all actions and decisions taken represent value for money.

The Full Council

- 2.11 The responsibilities of the Full Council are set out in the Constitution. In terms of the Financial Regulations the Full Council is responsible for approving and monitoring compliance with the Council's overall framework of accountability and control as set out in the Constitution. The Full Council is also responsible for approving the annual budget and any subsequent changes subject to section 4.

The Executive

- 2.12 The Executive is responsible for proposing the policy framework and budget to the Full Council. In doing so it shall take account of legal and financial implications and risk management issues that may arise from decisions.

Audit Committee

- 2.13 The Audit Committee reports to the Full Council. It brings independent and effective assurance into the Council's corporate governance arrangements. The Audit Committee is responsible for overview of the Financial Regulations and proposing amendment to Full Council.

Section 151 Officer

- 2.14 The Council shall approve an officer post to be the statutory Section 151 Officer. The Strategic Director – Finance and Resources is the statutory Section 151 Officer and is ultimately responsible for the proper administration of the Council's financial affairs. The Section 151 Officer shall ensure the responsibilities, as set out within these Financial Regulations, are met through formal delegation to appropriate officers in accordance with the Scheme of Delegation.
- 2.15 Section 151 Officer General Accountabilities:
- Set appropriate financial management processes for the Council which comply with the Council's policies and proper accounting practices and monitor compliance with

those processes.

- Advise on the corporate financial position and on the key financial controls necessary to secure sound financial management.
- Provide financial information.
- Determine the accounting records, procedures and the retention of financial documents requirements for the Council.
- Ensure proper professional practices are adhered to through communication and training for all officers involved in financial transactions.
- Act as head of profession in relation to the standards, performance and development of finance staff.
- Report, where appropriate, breaches of the Financial Regulations to the Audit Committee.
- Protect against Money Laundering.
- Ensure controls are in place to deter and detect fraud and error.
- Ensure that adequate accounting systems exist and recommend subsequent changes.
- Ensure that adequate systems exist for holding/organising personal data.
- Receive Government circulars, orders, sanctions, approvals and regulations affecting the finances of the Council.
- Maintain an overview of the Financial Regulations and recommend revision as required having regard to the Annual Governance Statement.
- Maintain and promote the Corporate Risk Strategy and Risk Register.

Directors and Heads of Service

2.16 Directors and Heads of Service have delegated responsibility for the management of the financial transactions and use of resources in their service areas. This responsibility can be formally delegated to specific officers under the Scheme of Delegation devised for each Head of Service. They are also responsible for ensuring all their staff are aware of, and comply with, the Financial Regulations and other internal regulatory documents.

2.17 General responsibilities:

- Complying with appropriate budget management and delegation arrangements to maintain budgetary control.
- Effective use of resources, safeguarding of assets and the operation of a system of appropriate internal controls in their service areas.
- Advising members of the Council and the Section 151 Officer of the financial implications of all proposals.
- Complying with the delegated authorised signatory list for signing contracts on behalf of the Council (see also Contract Procurement Rules).
- Seeking approval, in conjunction with the Section 151 Officer, on new proposals or on any matter liable to have an effect on Waverley's finances, before any

commitments are incurred for proposals, that:

- create financial commitments in future years;
 - change existing policies, initiate new policies or cease existing policies; and
 - materially extend or reduce the Council's services.
- Preparing budgets in accordance with the guidance issued by the Section 151 Officer.
 - Maintaining budgetary control in their service area and ensuring all income and expenditure is properly accounted for and recorded.
 - Ensuring spending remains within budget and that individual budget heads are not overspent by monitoring the budget and taking corrective action.
 - Reviewing performance of services in conjunction with budgets to determine if they are operating effectively.
 - Obtaining approval from the Section 151 Officer before making any changes to financial records and procedures.
 - Promoting excellent financial management standards in their service area and to monitor adherence to the standards, ensuring that relevant training is provided to those staff with financial management responsibilities.
 - Contributing to the development of corporate and service targets and objectives and performance information.
 - Ensuring value for money is achieved in every transaction undertaken.
 - Ensuring compliance with the Council's Contract Procurement Rules.
 - With regard to funding awarded by the Council to third parties, including CIL, grants and other contributions, managers must ensure that a funding agreement is in place which clearly sets out the terms of the funding and includes conditions and safeguards as appropriate to protect the Council's interests. All funding agreements, and any subsequent proposed changes, must be agreed by the S151 officer who will assess the risk and impact.

3. Financial Management

- 3.1 Objective – to ensure that the Council's budgets and accounting are accurate, timely and meet all statutory and corporate requirements.

3.2 Key Controls

- Review and development of a Medium Term Financial Plan.
- Instructions for the development of forward budgets will be issued each year in line with the Medium Term Financial Plan.
- Budget process is planned and communicated.
- Specific budget approval for all income and expenditure – expenditure can only be committed against an approved budget.

- Accurate financial management and forward projections of income and expenditure.
- Corrective action is taken at the earliest opportunity to address deviation from budget.
- A single Budget Manager accountable for each budget and the level of service to be delivered.
- Expenditure is allocated to the correct cost centre and account code and authorised within the scheme of delegation and authorised signatory list.

Authorisation and Delegation

- 3.3 The Section 151 Officer shall make provision for the maintenance of an Authorised Signatory List.
- 3.4 Heads of Service shall approve the inclusion and addition of officers to the Authorised Signatories List in writing, clearly specifying the scope of their delegated authorities and ensure the Authorised Signatory List is up to date. Officers who are given specific financial responsibilities must familiarise themselves and comply with these Financial Regulations.
- 3.5 Heads of Service shall approve appropriate officer access to the finance and information systems.
- 3.6 Authorised officers shall ensure another appropriately authorised officer, within the service at an appropriate level of seniority, can act as a substitute for carrying out financial management and administration duties in the event of absence or a vacancy.

Financial Planning Framework

Medium Term Financial Plan

- 3.7 The Medium Term Financial Plan (MTFP) is the Council's key financial planning document which takes into account various factors and influences that may impact on the Council over a period of years. It shall cover the forecast financial prospects and requirements for a period considered adequate to understand the Council's future financial position and include strategic action plans to ensure the finances remain robust.

Budgets

- 3.8 It is a legal requirement that the Council ring-fence and separately manage the following financial resources and expenditure:
- Housing Revenue Account income and expenditure
 - Capital expenditure and financing
 - The Collection Fund
 - Trusts being managed on behalf of their trustees

- Any other ring-fenced budget coming into effect after the publication of these rules
- 3.9 Revenue budgets cover the day-to-day running costs (expenditure and income) of the Council. Budget Holders shall be responsible for ensuring that they do not exceed the budget approved.
- 3.10 Capital budgets are for the acquisition or enhancement of assets which have a long term value to the Council and are usually of a one-off nature. Capital expenditure shall be accounted for in accordance with the relevant statutory definition. The Finance Team can provide advice on whether an item can be treated as expenditure for capital purposes.
- 3.11 On-going revenue implications of capital projects shall be identified within the capital bid process. Capital bids must be supported by a fully completed business case form for every project.
- 3.12 Budgets shall be consistent with the Council's Corporate Strategy and MTFP and integrated into Service Plans.
- 3.13 The Section 151 Officer shall issue guidance for the preparation of budgets which will detail the form and methods to be adopted.
- 3.14 The guidance shall support the best use of resources and value for money by asking service managers to identify opportunities to improve economy, efficiency and effectiveness, propose savings options and consider financial aspects of service planning.
- 3.15 The detail behind the budgets for income and expenditure shall be adequately documented to enable a clear understanding of the purpose and nature of the budget.
- 3.16 Budget Managers preparing budgets shall have regard to:
- Spending patterns and pressures revealed through the budget monitoring process (see 3.22) and the MTFP.
 - Legal requirements.
 - Policy requirements as defined by the Full Council in the approved policy framework.
 - Initiatives already underway.
 - Capacity to deliver service and projects.
 - Lead-in times for delivery.
- 3.17 The Annual Council Budget shall be taken through the Committee process to be approved at Full Council in the February meeting, before the statutory deadline for council tax setting, for the following financial year.

Budget Management

- 3.18 The Section 151 Officer shall ensure financial monitoring and governance arrangements are in place that are commensurate with the size, risk, complexity and volatility associated with particular revenue budgets and capital schemes.
- 3.19 Budget Holders shall be accountable for revenue and capital programme management within the budget totals allocated to them.
- 3.20 Revenue and capital budget transfers shall comply with the Virement and Budget Realignment Rules set out below.
- 3.21 Any report prepared by officers for consideration by the Executive which has financial implications should be prepared in consultation with the Section 151 Officer.
- 3.22 Budget Management shall consist of:
- Use of the designated Finance System to track and forecast spend against budget.
 - Periodic review of budgets, as determined by the Section 151 Officer, to include income and expenditure forecasting to the financial year end and impact on future years.
 - A Budget Management report submitted to the Management Board and the Executive in a format to be determined by the Section 151 Officer which shows the impact of changes in service spend and the associated risks, mitigations and resolutions.
 - A monitoring process that reviews service delivery and capital projects against budget and, if necessary, reports measures for corrective action.
 - Investigation and reporting by budget managers of significant variances from approved budgets as soon as they become known.
 - Production of a recovery plan for inclusion in the Budget Management report where a service is forecast to overspend.
 - Requests for virements in accordance with the Scheme of Virement.

Scheme of Virement

- 3.23 All expenditure, including expenditure covered by external funding, shall be funded by a budget before an expenditure commitment can be made. A virement is the movement of an uncommitted budget from its intended purpose to another purpose to fund expenditure.
- 3.24 A virement shall not increase the Council's overall budget.
- 3.25 Virements shall not cross a ring-fenced account such as the General Fund, Housing Revenue Account or a Trust.

3.26 The rules and authorities for Virement are listed in the **Scheme of Virement in Annexe 2** to these Financial Regulations.

Supplementary Estimates

3.27 A Supplementary Estimate is a request for additional unfunded budget that will increase the Council's overall budget and be funded from reserves. Supplementary Estimates up to £100,000 shall be approved by the Executive and, if over £100,000, Full Council.

3.28 When the Executive or Full Council are asked to consider agreeing a Supplementary Estimate, they need to:

- i) Consider why the need for funds, that were not identified or provided for within the Annual Budget and which cannot be found within existing budgets, has arisen;
- ii) Understand how much money is being requested and how it is proposed to be spent;
- iii) Assess whether or not the proposed supplementary estimate represents value for money, which will include noting and considering:
 - (a) Any other options available to the Council that have been considered, including the control option of not taking any action;
 - (b) The expected benefits of agreeing the supplementary estimate; and
 - (c) The expected risks, if any, of agreeing or refunding supplementary estimate;

3.29 The Council's Section 151 Officer's view on the supplementary estimate, including the above matters, will be set out, either within a stand-alone report or as part of another budget report.

3.30 Any manager wishing to propose a Supplementary Estimate, in the first instance, needs to complete the proforma set out at **Annexe 3** and submit this to the Council's Section 151 Officer, or designate.

Carry forwards of Budget

3.31 The policy for the carry forward of budgets shall be determined by the Section 151 Officer.

- 3.32 Carry forwards shall not be allowed unless there is a robust case for non-delivery in the financial year with a firm expectation for delivery in the following financial year and in exceptional circumstance.
- 3.33 Budget carry forward shall be approved by the Section 151 Officer.
- 3.34 Budget carry forward shall be reported to the Executive.
- 3.35 Where a budget or one-off surplus is carried forward, it shall not be used to commit the Council to new or additional expenditure that is ongoing and requires continued funding in future years.

Accounting Procedures

- 3.36 Maintaining proper accounting records, systems and procedures are essential to an effective framework of accountability and control for stewardship of public resources.
- 3.37 The Council has a statutory responsibility to prepare and publish its Annual Financial Report, which includes the Statement of Accounts and Annual Governance Statement, in accordance with statutory deadlines and to present fairly its operations during the year.
- 3.38 The Statement of Accounts shall be subject to external audit which provides assurance that the accounts are free from material mis-statement and presents fairly the financial position of the Council.
- 3.39 The Audit Committee shall be responsible for approving the Statement of Accounts.
- 3.40 The following requirements shall be followed in preparation of the Statement of Accounts:
- The Council's Statement of Accounts shall be prepared and published in accordance the Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) supported by International Financial Reporting Standards in accordance with the statutory timetable.
 - Accounting policies shall be selected by the Section 151 Officer and applied consistently and appropriately and be subject to annual review by External Audit.
 - Judgements and estimates shall be made that are reasonable and prudent.
 - Year-end guidance shall be issued to Heads of Service and officers, informing them

of timescales and guidelines for the supply of information.

- Year-end guidance shall be complied with.
- A detailed project plan for the completion of the Statement of Accounts shall be agreed with the officers involved in the Statement of Accounts process.
- Proper arrangements shall be made for the audit of the Statement of Accounts in accordance with the Accounts and Audit Regulations.
- Material changes to the Statement of Accounts shall be discussed with External Audit in advance of the year end.

3.41 Reserves

- Reserves shall be maintained in accordance with the CIPFA Code of Practice on Local Authority Accounting and as agreed in the MTFP.
- Reserves shall only be used for the purpose for which they are intended.
- Revenue and capital reserves shall be maintained separately.

3.42 Grants (Revenue or Capital)

- Grants shall be accounted for in compliance with the CIPFA Code of Practice on Local Authority Accounting.
- Grants received towards expenditure shall be applied in the year the expenditure is incurred.
- Any grant funding received but not applied shall be carried forward to the financial year in which the expenditure will take place.
- Grants shall be accounted for in accordance with the terms of the agreement with regard to any conditions, restrictions or stipulations attached.
- Budget Holders shall ensure that “exit strategies” are in place to support the winding up of any service provision that is financed from time limited specific grants or third party contributions.

3.43 Reconciliations

- A Reconciliations Checklist shall be maintained for all control accounts within the Finance system that represent activity in other systems.
- Reconciliations shall be completed at least monthly and signed off by the officer completing the reconciliation.
- All reconciliations shall be reviewed and countersigned by the Financial Services Manager or delegated officer.
- All unreconciled items shall be resolved as soon as practically possible and fully investigated and explained.
- Reconciliation of income between the Finance system and external information, Terriers, charging schedules or other databases shall be undertaken monthly by the officers responsible for service delivery.
- All reconciliations shall be undertaken at the latest by the end of the month following

the reconciliation period.

3.44 Government Returns

- All Government returns for grant claims, consultations, statistical information and financial information shall be submitted by the relevant deadline.
- All returns relating to grants and financial statistics shall be completed in consultation with the Section 151 Officer or delegated officer.
- The Section 151 Officer or delegated officer shall be satisfied as to their correctness before they are submitted to any Government Department.
- The Section 151 Officer or delegated officer shall be notified and receive copies of all Government or other circulars, orders, sanctions, approvals and regulations affecting finance which are received by the Council.

4. Purchase orders, goods receipting and payment of invoices

4.1 Key Controls

- All commitments to expenditure undertaken by officers shall comply with the Contract Procurement Rules.
- Any dispute with or claim from a contractor or supplier that may have a financial implication must be brought to the S151 officer's attention immediately. Where appropriate, options and potential actions should be proposed.
- Financial checks shall be undertaken of prospective suppliers in accordance with the Contract Procurement Rules.
- All Council commitments to expenditure should be made using a purchase order unless they fall into the Exemptions Schedule.
- A purchase order shall not be raised without sufficient budget. If necessary, the virement process should be used in accordance with Annexe 2 or a Supplementary Estimate approval should be obtained in advance of creating a commitment to expenditure.
- Only authorised officers on the Authorised Signatory List shall approve purchase orders.
- Officers shall not approve their own purchase orders (no self-certification).
- No officer alone shall be responsible for all stages of the "purchase to pay" process, i.e. ordering, receipting, payment authorisation, including the BACS payment set up and release.
- The authorising of a purchase order signifies:
 - the goods/services are necessary for discharging the functions of the Council; and
 - in all respects the Financial Regulations have been complied with.
- Purchase orders shall be 'goods receipted' to verify that goods or services have been

received at the correct price, quantity and quality standards before payment of invoice.

- All invoices shall be submitted as soon as possible to the Finance Team for inclusion on the accounts ledger.
- Prior to settlement, checks shall be undertaken to safeguard against duplicate payment of invoices.
- New suppliers and changes of details to an existing supplier shall be validated by a positively verified contact for the supplier.
- Officers shall document supporting proof of verification and obtain approval from the Head of Finance or delegated officer.

4.2 Every officer of the Council involved in engaging, supervising or having any other official relationship with contractors or potential contractors shall declare all relationships of a private or domestic capacity with those contractors to their line manager in accordance with Code of Conduct.

4.3 Members shall declare such relationships on the Members Register of Interests.

4.4 Records shall be kept to evidence compliance with the Contract Procurement Rules for all purchase orders raised.

4.5 Records shall not be disposed of other than in accordance with arrangements approved by the Section 151 Officer.

4.6 Payment process:

- Payment of invoices shall be against an original invoice or certified copy invoice only.
- Internal payment requisition forms shall be accompanied by supporting information.
- Payment shall be made in accordance with the agreed payment terms and in compliance with the invoice payment performance indicators.
- Payment should normally be by BACS but in exceptional circumstances cheque or CHAPS.
- New suppliers and changes of details to an existing supplier shall be validated by a verified contact for the supplier.
- Officers shall document supporting proof of verification and obtain approval from the Head of Finance or delegated officer.
- Payments to contractors shall be on the certificate of the appropriate Head of Service, and include details of the value of work, retention money, amounts previously certified and amounts now certified.
- Any outstanding expenditure for work completed but not yet invoiced by the end of the financial year shall be reported to the relevant service accountant to be accrued into the correct financial year in accordance with the year-end closedown instructions.

4.7 Payment without an invoice, (including the transfer of funds to bank imprest accounts, online shopping accounts and prepaid or top-up cards) shall be made using systems and protocols determined by the Section 151 Officer.

4.8 Set up and use of online shopping accounts shall be approved by the Section 151 Officer. Normal purchasing procedures are still required with the exception of raising a purchase order in the Finance System where not available.

4.9 Large contracts

For contracts that fall into threshold 4 in the CPR's (>£100,000) and where stage payments are made due to the length or type of the contract (i.e. construction), officers shall ensure that:

Contracts involving stage payments:

- The contract documentation is prepared with the agreement of the Borough Solicitor.
- The contract is recorded in the Contract Register.
- If it becomes clear that a tender received exceeds the 'contractor' element of an approved capital budget, the S151 must be notified immediately
- A final account is prepared.

Final Payments:

- Supporting documentation is checked to ensure that all the items invoiced have been used on the project and that the figures are correctly calculated throughout each stage of the project payment process.
- Where a retention is held, the retention value and retention period is recorded so that it can be released when the defect liability period has ended.
- The project manager is responsible for collating and checking the final account before the final payment is made.
- The final payment is signed off by the relevant Head of Service to confirm the accuracy and integrity of the final payment.
- The Head of Service approval is emailed to accountancyteam@waverley.gov.uk supplierenquiries@waverley.gov.uk to be put with the invoice in the Finance system.

4.10 Value Added Tax (VAT):

- VAT returns shall be made to HMRC with the appropriate payments or claims in accordance with HMRC regulations.
- The Council's partial exemption position shall be regularly assessed.
- The effect on the partial exemption position for all new transactions shall be considered.
- Officers shall ensure that the correct VAT liability is attached to all expenditure paid

and income due and that all VAT shown as recoverable on purchases complies with HMRC regulations.

- The Section 151 Officer shall be consulted for VAT advice prior to implementing changes to service provision, new capital schemes and purchase of any assets.

4.11 Construction Industry Scheme (CIS):

- CIS tax returns shall be made to HMRC with the appropriate payments in compliance with HMRC regulations.
- Spending officers shall be aware of CIS rules and ensure they have sufficient knowledge to collect the relevant information from suppliers.
- Where construction and maintenance works are undertaken, Officers shall request the necessary CIS tax deduction information from the supplier.

4.12 Off-payroll working through an intermediary (HMRC IR35):

- All procurement of agency staffing and consultancy work of any kind shall be tested against the HMRC IR35 rules for off-payroll working by the appointing service officer prior to engagement.
- Detail of the IR35 rules is contained within the Contract Procurement Rules (see section 7.2)
- The Employee Services team shall be informed of all appointments.

4.13 Petty Cash:

Petty cash covers the use of 'cash' from the petty cash imprest to purchase minor items of expenditure not exceeding such sums as determined by the Section 151 Officer.

- Set up of any petty cash imprest account shall be approved by the Section 151 Officer.
- A log of officers responsible for petty cash floats shall be maintained by exchequer services.
- Responsible officers shall comply with petty cash imprest administration guidance notes.
- Officers requesting reimbursement of expense incurred on behalf of the Council, including travelling expenses shall put a request through the payroll system.
- No cheques shall be cashed from money held in petty cash imprests.
- The petty cash imprest holder shall obtain a signature and supporting documentation, including a VAT invoice for all purchases.
- The petty cash imprest holder shall reconcile the imprest and, when requested by the Section 151 Officer, present the imprest account for audit.
- The petty cash imprest account shall be reconciled if the holder leaves or changes.
- If the petty cash imprest account is no longer required it shall be relinquished to the Section 151 Officer.

5. Payment of salaries, wages, pensions, travelling and subsistence allowances and Members Allowances

5.1 Key Controls

- An annual staffing budget shall be prepared.
- An annual Members Allowances budget shall be prepared.
- Monthly monitoring of staff activity and spend shall be reconciled to payroll.
- Staffing budget shall not be exceeded.
- Employee Services team shall be notified of all matters affecting payment of employees and former employees including appointments, resignations, dismissals, suspensions, secondments, transfers and other absences apart from approved leave.
- Appointments shall be made in accordance with the Council's recruitment policy.
- The Job Evaluation process shall be used for determining the remuneration of a job.

Payments to Staff and Members

- 5.2 Payment of salaries, pensions, compensation and other emoluments to staff or former employees shall be through the Council's payroll system.
- 5.3 All adjustments to the payroll shall be supported by documentary evidence and approved by an authorised signatory.
- 5.4 Payments through payroll shall only be made to:
- bona fide employees;
 - with a valid entitlement; and
 - who have a contract of employment.
- 5.5 Income tax, national insurance, pensions and other deductions shall be accurately recorded and accounted for in line with statutory legislation.
- 5.6 All Inland Revenue returns regarding PAYE shall be completed in accordance with HMRC published guidance.
- 5.7 Staff records and pay documents shall be maintained in the payroll system.
- 5.8 Staff bank changes will only be accepted by the member of staff entering them via the self-service system
- 5.9 Payments of Members' Allowances shall be made in accordance with the Members' Allowances scheme.

Travel and Subsistence Claims

- 5.10 Travel and Subsistence Claims shall only be paid for authorised journeys and expenses incurred in the course of Council business.
- 5.11 Employees claims shall be made in accordance with the Employee Handbook and Contracts of Employment.
- 5.12 Members claims shall be made in accordance with the Members Allowance Scheme.
- 5.13 All business expense Claims (with receipts attached) shall be submitted, verified and authorised through the payroll system.

6. Collection of income including External Funding and writing off of debts

6.1 Key Controls

- All income due to the Council shall be identified and charged correctly in accordance with the approved fees and charges.
- The collection and recording of all money due to the Council follows approved procedures for collection and money received by an officer on behalf of the Council shall be passed to the Finance team without delay.
- All income shall be recorded through the Council's income system.
- Fees and charges income shall be reconciled at all times to customer records by the service provider.
- Cash holdings on premises shall be kept to a minimum and securely in accordance with insurance requirements.
- A security firm shall be used to collect money from the Council offices as a minimum once a week to be paid into the Council's general bank account.
- Action shall be taken to pursue non-payment in accordance with the recovery process.
- Debt considered for write-off shall only be that which is uneconomic to collect or no prospect of collection or recovery is legally restricted.
- Formal approval for debt write-off shall be obtained in line with the debt write-off procedures.
- New electronic methods of income collection shall be agreed with the Section 151 Officer.
- Credit notes, for full or partial debt cancellation, shall be adequately documented and approved by an authorised signatory.

- 6.2 The fees and charges shall be:
- reviewed as part of the budget process or, where appropriate, more frequently.
 - approved by the Section 151 officer in consultation with the relevant Portfolio Holders unless covered by a delegated authority and reported annually to Full Council for information as part of the budget report.
 - Budget Holders shall ensure that up-to-date fees and charges are published.
- 6.3 Income shall only be collected using methods and channels approved by the Section 151 Officer.
- 6.4 Income shall be collected at the point of service wherever possible, by the most cost effective approved means.
- 6.5 Value Added Tax (VAT) shall be added to charges where statutorily required and be itemised separately on the receipt in line with HMRC requirements. It is the budget holder's responsibility to ensure that the correct VAT is applied.
- 6.6 Officers who process card transactions shall comply with the Council's Payment Card Security Policy and Procedures.
- 6.7 Refunds of debit/credit card payments shall be processed back to the card used to make the payment.
- 6.8 Refunds shall not be made by the officer taking the original payment, unless supervised and checked by an officer independent of the transaction.
- 6.9 Income due for the financial year should be collected or invoiced in advance of year end. Where income is still due but not received or invoiced the income shall be accrued in accordance with the year-end closedown guidance.
- 6.10 Budget Holders shall be responsible for collection of all income due to their service area, inclusive of grants, contributions, commuted sums, sales, fees, charges and rents, in cash or credit form.
- 6.11 Debts originated by the service are the responsibility of that service and shall be pursued in accordance with the Council's debt recovery procedure.

Debt Write-off

- 6.12 Where debt is uneconomic to collect or there is no prospect of collection or is legally restricted the debt will be written off by the Section 151 Officer.

External Funding

- 6.13 External funding shall only be applied for or accepted if it meets the corporate priorities and the Financial Regulations.

- 6.14 The costs, risks and obligations associated with preparing a bid shall be fully identified and not outweigh the benefits of receiving additional funding.
- 6.15 Matched-funding requirements going into future years shall be considered prior to entering into the agreement to ensure funds are available to meet future obligations.
- 6.16 The Section 151 Officer shall be notified of all external bids and confirmation of funding.
- 6.17 Copies of original documentation confirming funding allocations shall be forwarded to the Section 151 Officer.
- 6.18 In securing external funding officers shall ensure that:
- All costs associated with bidding are financed from the relevant service budget unless the Executive has specifically approved alternative funding arrangements.
 - The matched funding or sponsoring organisation scheme requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
 - The external funder's audit requirements are fully understood and are achievable to ensure conditions of funding and any statutory requirements are complied with.
 - Funds are received from only appropriate sources and that their purpose is clearly documented.
 - The project to be sponsored by the funding is properly project planned and progress reported in accordance with the project plan.
 - Expenditure is properly incurred in accordance with the funding documentation.
 - Organisations making donations or providing sponsorship are registered with the Head of Policy and Governance for transparency.
 - All claims for funds are made by the due date.
 - All funding notified by external bodies is received and properly recorded in the Council's accounts.
 - The funding is applied in accordance with the agreed criteria and that all expenditure is properly incurred and recorded.
 - Internal Audit Client Manager is consulted before accepting external funds.
- 6.19 Community Infrastructure Levy (CIL)/Section 106 receipts
- All receipts received shall be held and accounted for in accordance to the stipulations, conditions and restrictions in each individual agreement.
 - The collecting service shall notify the Section 151 Officer of the receipt of money and forward the individual agreements to the Finance Team.
 - Receipts shall only be used for the permitted purpose.
 - CIL/Section 106 agreements shall be recorded on a register and regularly reviewed

for action.

- CIL/Section 106 receipts shall only be transferred to a third party for qualifying expenditure and with a Terms of Application Agreement signed by the third party and the Council.

7. Security of assets

7.1 Key Controls

- The Estates and Valuation Manager shall maintain a property database for all land and buildings owned or leased by the Council.
- Officers shall be responsible for the care and custody of all buildings, vehicles, equipment, furniture, stock, inventories, cash and information under their control.
- Officers shall record a description and location in an inventory in the form required by the Section 151 Officer.
- Officers shall be responsible for the proper security of all assets and ensuring they are appropriately marked as Council property and included in the Council's insurance schedule.
- Officers shall complete a check and reconciliation of their stock and inventories at year end and, as requested by Section 151 Officer, verify location, condition and reasonableness levels.
- Surpluses or deficiencies shall be dealt with in consultation with the Section 151 Officer.
- No Council owned asset shall be available for personal use by an officer without authority of the Section 151 Officer.

Land and Buildings

- 7.2 Land and Buildings shall be included in the Council's Asset Register where the assets have a value in excess of the Council's de-minimis levels as set out in the Accounting Policies, otherwise registered on the de-minimis register.
- 7.3 Land and Buildings shall be valued in accordance the CIPFA *Code of Practice on Local Authority Accounting in the United Kingdom*.
- 7.4 Land and Buildings assets shall be valued by a Royal Institute of Chartered Surveyors (RICS) qualified valuer.

Leases

- 7.5 Lessees and other prospective occupiers of Council land and buildings shall not be given possession or gain entry without a lease agreement.
- 7.6 A Lease Register shall be maintained and updated on a regular basis and at least

annually.

- 7.7 The Lease Register shall identify whether the lease is an operating lease or a finance lease.
- 7.8 Lease terms shall be renegotiated and/or terminated prior to expiry.
- 7.9 Lease income shall be reconciled to the Lease Register at all times.
- 7.10 Contracts entered into shall be reviewed for lease implications.
- 7.11 Any leases within a contract shall be reported to the Finance Team.

Acquisitions and Disposals

- 7.12 Acquisitions and Disposals of Land and Buildings shall be made in accordance with the Section 151 Officer determination with supporting evidence of best value consideration being documented.

8. Risk Management and Insurance

- 8.1 All officers have a role in the identification of risks in the planning and delivery of services.

8.2 Key Controls

- Procedures and controls are in place to identify, assess, prevent or contain material known risks and these procedures are operating effectively throughout the Council.
- A monitoring process is in place to regularly review the effectiveness of risk procedures and controls.
- Managers are responsible for managing relevant risks in accordance with the risk policy.
- Acceptable levels of risk are determined and insured against where appropriate.
- Provision is made where appropriate for losses that might result from unmitigated risks.
- Procedures are in place to investigate claims within required timescales.
- The Council has identified business continuity plans for implementation in the occurrence of an event that results in significant loss or damage to its resources.

8.3 Officers Responsibilities:

- To consult the Section 151 Officer and the Borough Solicitor on the terms of any indemnity that the authority is requested to give.
- Not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- To ensure that all contractors or consultants employed have adequate insurance in place, as defined by the Section 151 Officer and the Borough Solicitor, to cover the risks

associated with the contract.

- To take responsibility for risk management within their service area, having regard to advice from the Section 151 Officer and other specialist officers and ensure there are regular reviews of risk.
- To notify the Section 151 Officer of all:
 - new risks, properties or vehicles that require insurance
 - any alterations affecting existing insurances
 - loss, liability or damage that may lead to a claim against the Council.
- To identify, evaluate and report on key risks associated with policy decisions and service developments, and in the preparation of service plans, in accordance with the Council's agreed risk framework within the Risk Management Policy.
- To identify and evaluate risks before entering any form of partnership with organisations or individuals.

Insurance

- 8.4 Insurance cover shall be through the Council appointed external insurance provider.
- 8.5 An annual review and assessment shall be done to ascertain the amount of insurance cover to be maintained, taking specialist advice as necessary.
- 8.6 Heads of Service shall keep suitable records to ensure that inspections of engineering plant under their control are carried out by the Insurance Company within the periods prescribed and shall take any necessary action arising there from.
- 8.7 Any failure by the Council's insurers to carry out such inspections shall be notified to the Section 151 Officer.
- 8.8 Heads of Service shall ensure that employees or anyone covered by the Council's insurance, are aware that they should not admit liability or make an offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

9. Banking arrangements

9.1 Key Controls

- Electronic banking systems administration access shall be independent from system users.
- Access to passwords and controlled stationery shall be secured.
- An approved list shall be maintained of officers authorised to undertake bank transactions and release money by other methods of payment (including BACS runs).

- An authorised list of nominated officers fulfilling the role of bank signatory shall be maintained.
- Bank accounts shall not be opened or closed without the authorisation of the Section 151 Officer.
- Bank accounts shall be held in the name 'Waverley Borough Council'.
- An audit log of bank authorisations shall be reviewed regularly by the Head of Finance.

9.2 The Section 151 Officer shall:

- Maintain an overview of the banking arrangements and services;
- Approve the opening of all bank accounts;
- Approve signatories and authorisers for all Council operated bank accounts;
- Approve corporate credit cards together with instructions for their use;
- Approve the use of payment cards and online shopping accounts;
- Approve new merchants for cash collection;
- Approve the use of new ways of cash-less transacting; and
- Approve arrangements for the secure transit of cash and cheques.

9.3 Credit Cards:

- The corporate credit cards shall only be used in exceptional circumstances and only up to the limit on the account.
- Supporting documentation, including a VAT invoice where possible, shall be provided to the Section 151 Officer.
- Normal purchasing procedures still apply with the exception of raising a purchase order in the Finance System.

10. Treasury Management (Investments, borrowing and trust funds)

10.1 Key Controls

- Treasury Management Strategy documenting the policies, objectives and approach to risk management of the Council's treasury management activities.
- All treasury management decisions taken in accordance with the Treasury Management Strategy, CIPFA's Standard of Professional Practice on Treasury Management and the Prudential Code.
- Approval of transactions limited to bank authority list.
- Regular treasury management investment reviews.
- Audit log of treasury management investments reviewed regularly by the Head of Finance.

Investments and Borrowing

- 10.2 The Section 151 Officer shall be responsible for:
- all external financing arrangement for borrowing and leasing.
 - maintaining a record of all the Council's borrowing.
 - making arrangements for the registration of any stocks, bonds and mortgages.
- 10.3 Loans to and from third parties as part of treasury management shall comply with the Treasury Management Strategy and Prudential Code.
- 10.4 Loans to third parties shall have the approval of the Executive, after consultation with the Section 151 Officer.
- 10.5 Loans to third parties shall be based on a statement of conditions, if applicable, attaching to the assistance.
- 10.6 Officers shall satisfy themselves that the recipient has received appropriate advice about their obligations.
- 10.7 Officers shall have regard to the ability of the applicant to meet the loan repayments or conditions.
- 10.8 Loans for capital assistance shall comply with 'Local Authorities (Capital Finance and Accounting)(England) Regulations 2003'.
- 10.9 The interest rate, if applicable, shall be determined by the Section 151 Officer.
- 10.10 The Council shall not offer any type of consumer credit which would require specific registration with the Financial Conduct Authority.
- 10.11 Acquisitions in companies, joint ventures, shares or other enterprises shall be in accordance with the approval of Executive and Section 151 Officer.

Trust funds and funds held for third parties

- 10.12 Trust funds, where possible, shall be held in the Council's name.
- 10.13 All Officers acting as trustees by virtue of their official position shall deposit securities etc. relating to the Trust with the Solicitor to the Council, unless the deed otherwise provides.
- 10.14 Funds held on behalf of third parties shall be securely administered as approved by the Section 151 Officer, with records of all transactions maintained.

10.15 Trust funds shall be operated within any relevant legislation and the specific requirements for each trust according to their intended purpose and as set out in the trust deed.

10.16 Where applicable Charity Commission guidance shall be followed in the preparation of Annual Financial Reports and deadlines for the submission of information to the Commission.

11. Partnerships

11.1 Key Controls

- Partnership agreements and arrangements shall support the corporate objectives, provide value for money and not impact adversely on the services provided by the Council.
- Approval of the Section 151 Officer shall be obtained before entering into a partnership working arrangement.
- All agreements and arrangements entered into with external bodies shall be fully documented and entered on the Council's Register of Partnerships maintained by Democratic Services.
- Review and monitoring arrangements shall be in place.

11.2 Prior to the Council committing to enter a service, contractual or financial partnership, the risks involved in the following items shall be considered:

- the responsibilities and commitment of the Council;
- any financial obligations entered into;
- the governance arrangements; and
- any liabilities or insurance requirements.

11.3 The Financial Regulations shall take precedence over any financial regulations of the external body unless specifically sub-ordinated by any explicit regulations in the partnership agreement and the agreement of Full Council.

11.4 The Section 151 Officer shall be consulted on the key elements of funding a partnership project including:

- a scheme appraisal for financial viability in both the current and future years;
- risk appraisal and management;
- resourcing, including taxation issues (especially VAT);
- audit, security and control requirements;
- balance carry-forward arrangements;
- ensuring accounting arrangements are satisfactory; and
- exit strategy and financial implications.

12. Work for Third Parties

12.1 Key Controls

- Proposals shall be costed properly and approved by the Section 151 Officer.
- No work shall be entered into without seeking the advice of the Borough Solicitor to check it is within the Council's legal powers and that there is a clear economic case for doing the work.
- The contract shall be prepared by the Borough Solicitor or, if the other party insists on preparing the contract, the advice of the Borough Solicitor is sought.
- Appropriate insurance cover shall be arranged for any potential liabilities as a result of the agreement.

12.2 The Section 151 Officer shall issue guidance with regard to the financial aspects of third-party contracts.

12.3 Any work done under the third party's contractual terms of engagement rather than the Council's shall be agreed by the Section 151 Officer.

12.4 No contract entered into shall be subsidised by the Council.

13. The powers and duties of Internal Audit

13.1 Internal Audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

13.2 Key Controls

- Internal Audit Charter.
- Annual Audit Plan.
- Set of internal controls for systems and processes that are agreed by Internal Audit and reviewed regularly for effectiveness.
- Process for investigating, reporting and subsequent action regarding any suspected irregularity.
- An effective internal audit function that is properly resourced.

13.3 Internal Audit Client Manager shall:

- Prepare the annual Internal Audit Plan which takes account of the characteristics and relative risks of the activities involved.
- Report to Audit Committee on the progress against the annual Internal Audit Plan.
- Review, appraise and report on the extent of compliance with, and effectiveness of,

relevant policies, plans and procedures (internal controls).

- Review the adequacy and application of financial and other related management controls.
- Make arrangements for investigation, reporting and subsequent action regarding any suspected irregularity.
- Ensure that all internal audits are documented in a written report.
- Require officers to implement all agreed actions in a timely and efficient manner.
- Report non-compliance with agreed audit recommendations to the Audit Committee.

13.4 Internal Audit has authority to:

- Access all Council premises, records, documents, and correspondence and control systems.
- Require any officer or Member to supply information and explanation considered necessary concerning any matter under consideration in the course of undertaking internal audit investigations.
- Require any officer to account for cash, stores or any other authority asset under their control.
- Access records belonging to third parties, such as contractors, when required.
- Request and receive explanations as necessary concerning any matters under consideration.

13.5 Officer's responsibility:

- All officers have a personal responsibility with regard to the protection and confidentiality of information.
- To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- To notify the Section 151 Officer immediately of any suspected fraud, theft, bribery, irregularity, improper use or misappropriation of Waverley Borough Council's property or resources. Pending investigation and reporting, the Director and Service Head shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- To ensure that new or changes in the form of systems for maintaining financial or personal records, or records of assets are agreed by the Internal Audit Client Manager and Section 151 Officer prior to implementation.
- To ensure they have a clear understanding of the benefits of sound controls and their responsibilities in compliance.

14. Fraud and Corruption

14.1 Key Controls

- Anti-fraud, Bribery and Corruption Policy.

- Process for investigating, reporting and subsequent action regarding any suspected fraud and corruption.
- 14.2 The Section 151 Officer shall be responsible for maintaining an Anti-fraud, Bribery and Corruption Policy.
- 14.3 Heads of Service shall ensure their staff are aware of, and comply with, the Anti-fraud, Bribery and Corruption Policy.
- 14.4 Officers shall notify the Section 151 Officer immediately of any suspected fraud, theft, bribery, irregularity, improper use or misappropriation of Waverley Borough Council's property or resources.
- 14.5 Pending investigation and reporting, the Director and Service Head shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 14.6 The Section 151 Officer shall notify the Audit Committee chair immediately of any suspected fraud, theft, bribery, irregularity, improper use or misappropriation of Waverley Borough Council's property or resources.

16. Declarations of Interest, Gifts and Hospitality

16.1 Key Controls

- Full requirements and guidance for Members and officers are set out in the relevant Codes of Conduct.
 - Registers of interests are maintained for Members and officers.
 - Registers of gifts and hospitality are maintained for Members and officers.
 - Registers are inspected at least annually by external audit.
- 16.2 Members and officers shall report financial or other inducements, offered or received from an individual or organisation trying to influence the business of the Council to the Section 151 Officer and Internal Audit Client Manager.
- 16.3 Member and officers shall record any interests or gifts and hospitality received or declined in the Gift register maintained by Democratic Services.
- 16.4 The Section 151 Officer and Heads of Service shall ensure staff are aware of the requirement and the guidance for registering interests, gifts and hospitality.
- 16.5 Investigations that indicate improper behavior may result in disciplinary action.

17. Anti Money Laundering

17.1 Key Controls

- Full requirements and guidance for Members and officers are set out in the Anti Money Laundering Policy.
- Head of Finance is the designated Money Laundering Reporting Officer (“MLRO”) to receive disclosures from employees of money laundering activity (their own or anyone else’s).
- There is a procedure in place to enable the reporting of suspicions of money laundering.

17.2 The Council and its employees shall establish internal procedures to prevent the use of their services for money laundering as set out in Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007.

Document Improvement

The Council welcomes comments and feedback on its policies and procedures. Please contact Rosie Plaistowe-Melham and Accountancy if you have any comments.

Related information

- [Contract Procurement Rules](#)
- [Anti-Money Laundering Policy](#)

Annexes

- 1. Glossary
- 2. Scheme of Virement
- 3. Supplementary Estimate Form

Annexe 1 - Glossary

Accounting record	Accounting records are key sources of information and evidence used to prepare, verify and/or audit the financial statements. They also include documentation to prove asset ownership for creation of liabilities and proof of monetary and non-monetary transactions.
Annual Financial Report	A comprehensive report on the Council's activities for the preceding financial year including the Section 151 Officer's commentary, Statement of Accounts, Annual Governance Statement and Audit opinion.
Annual Governance Statement	A statement describing how the Council's corporate governance arrangements have been working over the financial year.
Asset	Any object, tangible or intangible, that is of value to its owner. Tangible assets include land and buildings, plant and machinery, fixtures and fittings & stock. Intangible assets include goodwill, patents, licences, copyrights and trademarks.
Asset Register	A schedule of all Council assets including asset information and values.
Authorised limit	A limit that sets the level up to which an officer has authority to undertake the activity.
Authorised Signatory List	List of officers authorised to make financial transactions. Head of Service approval is required before an officer may be included in the List.
BACS	Bank Automated Credit Service, electronic funds transfer process.
Budget	A sum of money allocated for a particular purpose or an expectation of income for a defined period of time.
Budget monitoring	Periodic review of the budget to ensure that total income and expenditure planned at the budget stage is adhered to as far as possible during the budget period.
Carry forward	The approved transfer of an unspent budget into a future financial year.
CHAPS	Clearing House Automated Payment System (CHAPS) is a method of transferring money between bank accounts electronically.
CIPFA	The Chartered Institute of Public Finance and Accountancy
Contract	This term is used to refer to any procurement transaction or planned procurement transaction.

Contractor	A provider or potential provider of goods, works or services. Once a Contract has been placed with a supplier, that supplier may be more precisely referred to as a Contractor.
Contract Procurement Rules (CPRs)	A set of rules that set out the minimum requirements the Council must follow when procuring and/or entering into Contracts for the supply of goods, works and services including consultants.
Customer	The recipient of a Council service.
Exceptions Schedule	A list of spend for which a purchase order is not required or is not appropriate.
Financial obligation	Money that a person or organisation owes and must pay at a particular time.
Financial Regulations	This refers to the set of rules that govern the way the Council's finances are administered and controlled. They are maintained by the Section 151 Officer.
Financial year	The Council's financial year runs from 1 April to 31 March
Financial viability	The ability to generate sufficient income to meet operating payments, debt commitments and, where applicable, allow for growth.
HMRC	Her Majesties Revenue and Customs, government taxation department.
Governance	The processes by which organisations are directed, controlled, led and held to account.
Job evaluation	A systematic way of determining the value/worth of a job in relation to other jobs in the Council.
Key Financial System	A system which interacts with the main Finance system to collect income due to the Council. Key Financial systems must be reconciled monthly.
Lease	A contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset.
Material/Materiality	Materiality relates to the significance of transactions, balances and errors. Financial information is material if its omission or misstatement could influence the users of the accounts.
Medium Term Financial Plan (MTFP)	The bringing together of all known factors affecting the Council into one plan covering a period of a few years into the future.
Member	An elected Councillor
Officer	A member of staff
Other systems	In addition to the Finance system there are other systems used by the Council that contain financial information, these include systems for: <ul style="list-style-type: none"> • Housing - to collect tenants rent and manage the

	<p>repairs and maintenance of council dwellings</p> <ul style="list-style-type: none"> • Council Tax • Business Rates • Planning • Payroll • Income • Housing Benefits • Land Charges
Partnership	An arrangement in which the Council enters into with an external individual or organisation to share the benefits and liabilities of the venture.
Prudential Code	CIPFA Code of Compliance for treasury management
Purchase Order	An official order issued by a purchaser to a seller indicating types, quantities and prices for products or services. It is used to control the purchasing from external suppliers.
Reserve	An amount of money kept for a particular purpose or future use.
Scheme of Delegation	This term refers to the council's Scheme of Delegation, which specifies the extent to which the conduct of the council's affairs is delegated to council officers.
Section 151 Officer	The Section 151 officer ultimately responsible for the proper administration of the Council financial affairs. The deputy Section 151 can act on the Section 151 officers behalf on all aspects of the Financial Regulations.
Supplier	A provider or potential provider of goods, works or services. Once a Contract has been placed with a supplier, that supplier may be more precisely referred to as a Contractor.
Terms of Application Agreement	Rules, conditions or stipulations by which the parties involved must abide by to receive funds.
Terrier	Register of properties.
Virement	A virement is the movement of existing uncommitted budget to aid in the management of budgets where there is insufficient available in another area.
Write Off	A cancellation of a debt or worth of an asset.

Annexe 2 - Scheme of Virement

Virements must be:

- Proactive (agreed before spending takes place)
- double-sided
- in year
- with commentary

	Budget description	Approval levels
Revenue	<p>Centrally controllable budgets:</p> <ul style="list-style-type: none"> • Recharges • Depreciation • Insurance • Business Rates Income • Council Tax Income • Utilities • Housing Benefits subsidy 	<p>Virements can only be done between cost centres within the budget (account code) heading.</p> <p>Virement restricted to Accountants</p> <ul style="list-style-type: none"> • Up to £5,000 - Accountant • Over £5,000 – Accountant with approval of Financial Services Manager • Not between revenue and capital • Not between HRA and General Fund revenue
Revenue	Non centrally controlled budgets within a Budget Holders remit	<ul style="list-style-type: none"> • Up to £5,000 - Budget Holder • £5,001 to £100,000 – Head of Service and Section 151 Officer • Over £100,000 – Executive
Revenue	Non centrally controlled budgets between Budget Holder remits	<ul style="list-style-type: none"> • Up to £5,000 – agreement of Budget Holders • £5,001 to £100,000 – agreement of affected Heads of Service and Section 151 Officer • Over £100,000 – Executive
Salaries	Establishment Authorisation process must be followed and Revenue virement rules apply	All budget movements to go through the Finance Team
Income	An increase in an expenditure budget can only be met from additional income subject to approval.	<ul style="list-style-type: none"> • Up to £5,000 – Head of Finance • Over £5,000 - Section 151 Officer
Capital	Within project	<ul style="list-style-type: none"> • Up to £100,000 – agreement of Head of Service • Over £100,000 Executive
Capital	Across projects	<ul style="list-style-type: none"> • Up to £100,000 – agreement of Section 151 Officer • Over £100,000 Executive

Annexe 3 - Supplementary Estimate proforma

Your name / team	Date of request
<u>Why</u> has the need for additional funds which cannot be met from existing budgets arisen?	
<u>How much</u> money is being requested and <u>what</u> will it be spent on?	
<u>When</u> will the money be spent by?	
Value for Money Assessment	
What <u>other options</u> have been considered (including doing nothing)?	
What are the expected <u>benefits</u> will the planned expenditure bring?	
What are the <u>risks</u>, if any, of agreeing or refusing the supplementary estimate?	

Please complete this form and send it to the Head of Finance and s.151 Officer.

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

28/03/2022

Title:

Corporate Risk Review

Portfolio Holder: Cllr Mark Merryweather, Portfolio Holder for Finance, Assets & Commercial Services

Head of Service: Peter Vickers, Head of Finance and Property

Key decision: No

Access: Public

1. Purpose and summary

- 1.1 The Strategic Risk Register is a key governance document underpinning the delivery of the Corporate Strategy 2020 - 2025. The register focuses on the risks that are inherent in delivering the strategic objectives selected and designed to deliver the strategic priorities.
- 1.2 The Audit Committee is charged within its Terms of Reference to ensure that the council has an effective risk management framework in operation. The risk register is therefore a part of the governance documentation used within the risk management framework. It is therefore important that members of the committee have an oversight of the Strategic Risk register to gain assurance of its effective operation.
- 1.3 The Strategic Risk Register is a re-write of the previous register to align with the Council adoption of the Corporate Strategy 2020 – 2025. Members of the committee have had several informal review sessions during 2021. Unfortunately, the November 2021 Audit Committee was cancelled resulting in the delay of the formal review of the current Strategic Risk register. However, officers have maintained the register and formally reviewed it on a quarterly basis.
- 1.4 The format for the recording of the risk assessments in the register considers comments from the Audit Committee informal review and includes an “impact” assessment of a risk event and the “likelihood” of a risk event happening. Each assessment is compared to the Risk Appetite adopted by the Council in 2019, categorising risk into five domains:
- Financial
 - Legal/Regulatory
 - Safety
 - Service Delivery

- Reputational

The full risk appetite statement is included on **Annexe 1** for reference.

- 1.5 A single risk domain is decided for each risk as the dominant risk “impact” and mapped onto a risk matrix called a “heat map”. The heat map is colour coded, green, amber, and red to indicate importance of a risk and the level of action required. Risks within the red part of the heat map require active management.
- 1.6 The linkage of impact assessments to the risk appetite enables a two-dimensional view of risk management. The first dimension (heat map) shows how identified risks will impact the council’s ability to deliver on its corporate objectives. The risks are classified into three categories on the risk register: “manage”, “monitor” and “review”, graphically presented in a set of “heat maps” showing the current situation and the target situation. The second dimension compares every risk impact to the agreed risk appetite acceptable impact for the relevant domain, regardless of their “heat” categorisation, and considers the likelihood of a risk event to ensure that all risks are being managed proportionality in relation to the risk appetite, and does not encourage excessive/disproportional management.
- 1.7 The strategic risk heat maps are included on **Annexe 2** including an explanation of the red (manage) items. There are 4 risks in the “manage” category with active management plans reducing two of the risk events to “monitor”.
- 1.8 A review of all identified risk events against the risk appetite statement and their likelihood is provided on Annexe 3 with an explanation of actions for risks currently at the agreed risk appetite for the dominant domain, with a heat map classification of “monitor”. Only one risk event is currently assessed as being outside of the risk appetite. This risk relates to the impact of a change in government legislation for Planning Development in the borough, impacting on the council’s ability to meet administration deadlines. The impact is currently above the acceptable risk appetite for Legal/Regulatory risk domain. Careful consideration will be given to any changes in regulations due to the impact this could have on the service capacity to manage the impact down to the risk appetite.

2. **Recommendation**

The Audit Committee review the detail provided in annexe 2 and 3 and provide feedback to officers.

3. **Reason for the recommendation**

To ensure the Council follows its agreed governance for managing risk to deliver the council’s corporate objectives.

4. **Relationship to the Corporate Strategy and Service Plan**

- 4.1 The Strategic Risk register directly underpins the Corporate Strategy.

5. Implications of decision

5.1 Resource (Finance, procurement, staffing, IT)

No direct financial implications arise from this report.

5.2 Risk management

The review of the Strategic risk register is part of the council's adopted risk management framework.

5.3 Legal

There are no direct legal implications in this report.

5.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report.

5.5 Climate emergency declaration

The climate emergency is directly addressed within the Strategic Risk Register as a key strategic objective.

6. Consultation and engagement

6.1 Input sought from all council services.

7. Other options considered

7.1 No other options considered

8. Governance journey

8.1 Audit to review and comment.

Annexes:

Annexe 1 – Risk Appetite Statement

Annexe 3 – Risk Heat Maps

Annexe 3 – Annexe 3 Risk appetite mapping

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

Name: Peter Vickers

Position: Head of Finance and Property

Telephone: 01483 523539

Email: Peter.vickers@waverley.gov.uk

Agreed and signed off by:

Legal Services: 18 March 2022

Head of Finance: 15/03/2022

Strategic Director:

Portfolio Holder:

Annexe 1: Risk Appetite Statement

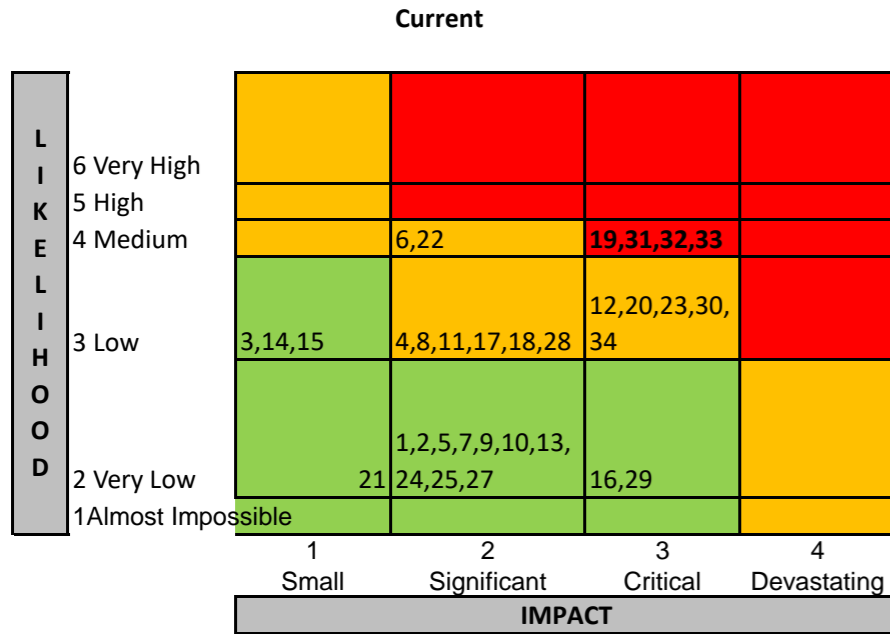
Indicators

Impact	Score	Financial	Legal/Regulatory	Safety	Service Delivery	Reputational
Small	1	Loss <£10k	Trivial breach or non-compliance	Insignificant injury (First Aid)	Negligible disruption/unnoticed by service users insignificant damage	Insignificant damage
Significant	2	Loss up to £50k	Isolated legal action or regulatory breach	Minor injury (medical attention)	Small disruption/inconvenience	One-off adverse local publicity
Critical	3	Loss up to £100k	Sustained legal action or (limited) regulatory fine	Serious injury (not life threatening)	Substantial, short-term disruption/inconvenience	Short-term, but wide reaching adverse publicity
Devastating	4	Loss >£100k	Major legal action or regulatory sanction	Death(s) or multiple serious injuries	Major, sustained disruption/serious inconvenience	Major, long-term damage

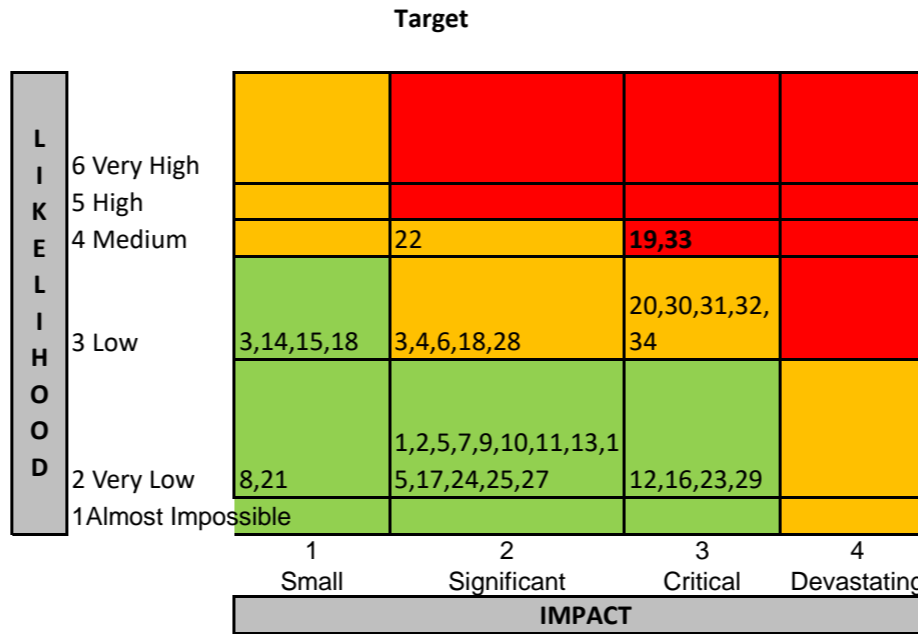
Yellow highlight indicates adopted risk impact appetite

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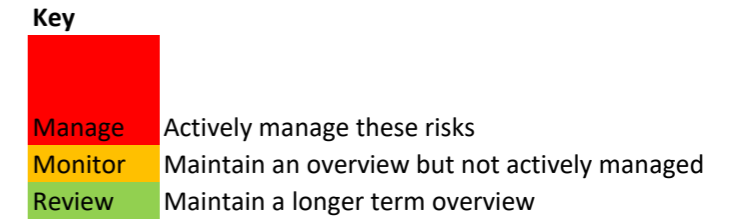
Corporate Risk Heat Map



Corporate Risk Heat Map



Annexe 2 Risk Heat Maps



Red Risks: require active management:

Risk	Corporate Strategy 2020-25 Strategic Objective	Risk Description	Primary risk domain	Current Control Measures	Further Actions to mitigate to the agreed Risk Appetite	Target Rating	Agreed Risk Appetite - Impact
19	We aim to be the best council landlord in the South East and to be acknowledged so by our tenants. We will achieve this by ensuring the service is financially robust to support improvements to our homes and the building of new homes.	If the income and cost assumptions within the HRA Business plan do not hold true.	Service Delivery	<ul style="list-style-type: none"> - Regular monitoring of the HRA Business Plan assumptions and long term forecasting against national benchmark data, i.e. inflation, build costs. - Identification of priorities within the core capital programme. - Renewal of the stock condition survey. - Use of current Housing Benefit data to monitor alongside rent collection to identify hardship. - Maximise the use of the government rent cap policy to maintain rent levels. - Identify and deliver cost and business process efficiencies 	The agreed appetite for the "Service Delivery" risk domain is Critical, described as "Substantial, short-term disruption/inconvenience". The current HRA Business Plan shows that there are significant inflationary cost pressures and the HRA general reserve is being drawn down in the next 4 years. A full strategic review is underway to recalibrate the HRA Business Plan financial sustainability.		Critical: Substantial, short-term disruption/inconvenience
31	New Ways of Working. As a result of the coronavirus pandemic, we have had to adopt new agile ways of working which has brought a number of benefits. In order to meet changing circumstances we will embrace new ways of working whilst maintaining standards, improving public participation and caring for our staff.	If the council does not learn from the changes to working practices as a result of the Covid-19 pandemic.	Financial	The Where Work Happens Project has delivered a new working environment with the cultural and employment impact following through.	HR and Financial review process is in place supported by strong financial oversight to ensure the assessment of "Critical - Loss up to £100k" negative events are contained with appropriate management actions. The "medium" likelihood assessment of negative events are contained with appropriate management actions to reduce the level of risk likelihood to "low" within the Where Work Happens project plans.		Critical: Loss up to £100k

32	New Ways of Working. As a result of the coronavirus pandemic, we have had to adopt new agile ways of working which has brought a number of benefits. In order to meet changing circumstances we will embrace new ways of working whilst maintaining standards, improving public participation and caring for our staff.	If the councils I.T systems are compromised	Service Delivery	<ul style="list-style-type: none"> - We currently use perimeter security measures (Anti-virus, Firewall) to combat the threat of a ransomware attack. - We have invested in a dedicated Cyber Protection Post to focus on this ever increasing threat 	The dedicated capacity to focus on cyber security and additional support software sufficiently manages the likelihood from Medium to Low, however, the Impact of a risk event will remain in the "Critical" risk event category. It is not reasonable to give assurances and certainty that any further actions will result in a "Very Low" likelihood of a risk event.		Critical: Substantial, short-term disruption/inconvenience
33	Sustainable Medium Term Financial Plan (MTFP). A financially sound Waverley, with infrastructure and services fit for the future.	If the assumptions in the MTFP cease to be accurate	Financial	<ul style="list-style-type: none"> • Regular review of the assumptions behind the MTFP • Regular review of interest rates, Government policy and Economic issues. • Awareness of other Council's strategies (e.g. SCC) • Regular performance management • Liaison with professional bodies (e.g. CIPFA, LGA, MHCLG) 	Delivery of the MTFP consists of a significant number of assumptions and dependencies, including sufficient management capacity to act decisively on accurate data. The likelihood of a risk event is a Medium and it is unrealistic to move this to a "Low" likelihood in the current operating climate. The impact of a risk event will remain in the "Critical" Financial risk domain category due to the ability of management to respond and the range of measures available to contain the impact.		Critical: Loss up to £100k

Summary of Strategic Risks

Key	Example:
Manage	Actively manage these risks
Monitor	Maintain an overview but not intensively managed
Review	Maintain a longer term overview

Risk No.	Risk Description (always starts with "If something"....)	Risk Domain most impactful on the rating	Acceptable risk impact	Current Impact	Target Impact	Current Likely-hood	Target Likelihood	Current Rating	Target Rating	Summary of actions and implications:
19	If the income and cost assumptions within the HRA Business plan do not hold true	Financial	3 - Critical	3 - Critical	3 - Critical	4 - Medium	4 - Medium	Manage	Manage	A strategic review process is in place supported by strong financial oversight to ensure the assessment of "Critical - Loss up to £100k" negative events are contained with appropriate management actions. The "medium" likelihood assessment is unlikely to change due to the economic situation.
33	If the assumptions in the MTFP cease to be accurate	Financial	3 - Critical	3 - Critical	3 - Critical	4 - Medium	4 - Medium	Manage	Manage	MTFP assumptions are actively reviewed, by their nature their impact has the potential to be "Critical - Loss up to £100k", adverse events are actively countered by appropriate management responses limiting the impact, the likelihood will remain at "medium" due to the current fluid nature of the economic shocks being experienced.
31	If the council does not learn from the changes to working practices as a result of the Covid-19 pandemic.	Financial	3 - Critical	3 - Critical	3 - Critical	4 - Medium	3 - Low	Manage	Monitor	HR and Financial review process is in place supported by strong financial oversight to ensure the assessment of "Critical - Loss up to £100k" negative events are contained with appropriate management actions. The "medium" likelihood assessment of negative events are contained with appropriate management actions to reduce the level of risk likelihood to "low" within the Where Work Happens project plans.
32	If the council's I.T systems are compromised	Service Delivery	3 - Critical	3 - Critical	3 - Critical	4 - Medium	3 - Low	Manage	Monitor	The impact of a Cyber security breach has the potential impact to be "Substantial, short-term disruption/inconvenience" to service delivery and this is being actively managed by a number of mitigation measures, including an increase in dedicated officer capacity and preventive software measures. The "medium" likelihood assessment of negative events are reduced to "low" reflecting the additional measures now in place.

4	If businesses within the borough are unable to continue trading due to economic environment such as the fallout of the 2020 pandemic, Ukrainian conflict and shift in trading patterns and movement to online shopping	Reputational	2 - Significant	2 - Significant	2 - Significant	3 - Low	3 - Low	Monitor	Monitor	The council has a high profile Economic Development team actively working with the business community within the Borough managing the reputational aspect of the visible High Street. Adverse publicity of a large number of High Street empty units is considered to be "Significant - One-off adverse local publicity" with a "low" likelihood as this situation will be relative to all towns in the surrounding area, experiencing the same economic issues.
6	If the Council does not achieve its aim of becoming a net zero-carbon Council by 2030	Reputational	2 - Significant	2 - Significant	2 - Significant	4 - Medium	3 - Low	Monitor	Monitor	Additional officer capacity and a strong programme plan to deliver climate change projects limits the reputational impact whilst the likelihood of not achieving the climate change target reduced from "Medium" to "Low" in respect of the actions being proposed.
18	If new homes are not designed to achieve the required energy efficient rating "A"	Reputational	2 - Significant	2 - Significant	2 - Significant	3 - Low	3 - Low	Monitor	Monitor	The new Design Standards delivering carbon neutral homes was adopted July 21.
20	If Public Works Loans Board (PWLB) Borrowing rates increase	Service Delivery	3 - Critical	3 - Critical	3 - Critical	3 - Low	3 - Low	Monitor	Monitor	The risk implication is that the increases in the cost of borrowing has a direct impact on new build business case financial viability. It is possible to consider mixed tenure developments to improve financial viability of schemes. The New Affordable Homes scheme will be included in the strategic review of the HRA Business Plan during 2022/23.
22	If a Neighbourhood plan was produced resulting in tensions, these be counter to the local plan/ government policy	Legal/Regulator	2 - Significant	2 - Significant	2 - Significant	4 - Medium	4 - Medium	Monitor	Monitor	The council maintains close working relationships with relevant groups and T&P to provide assistance through the various stages. By their nature/content the likelihood will remain "medium" due to the plans being politically contentious across the electorate.
28	If the Council's Safeguarding Policy for Children at Risk is not adhered to by all councillors and staff and updated and refreshed when appropriate.	Legal/Regulator	2 - Significant	2 - Significant	2 - Significant	3 - Low	3 - Low	Monitor	Monitor	Safeguarding Policy regularly refreshed and updated with training for members and officers.
30	If the council enters into collaborations without conducting the proper due diligence	Financial	3 - Critical	3 - Critical	3 - Critical	3 - Low	3 - Low	Monitor	Monitor	GBC collaboration is currently under going due diligence and member scrutiny.
34	If the Council takes insufficient strategic decisions to address the projected shortfall to ensure a sustainable Medium Term Financial Plan (MTFP)	Financial	3 - Critical	3 - Critical	3 - Critical	3 - Low	3 - Low	Monitor	Monitor	Officer dialog with Executive to identify and develop opportunities to address the deficit via the Business Transformation Board
8	If pedestrian friendly and cycle-friendly road system is not developed	Reputational	2 - Significant	2 - Significant	2 - Significant	3 - Low	2 - Very Low	Monitor	Review	Joint working with Surrey County Council on established projected identified to address this objective.

11	If the council cannot reduce the carbon impact by its own assets / staff	Reputational	2 - Significant	2 - Significant	2 - Significant	3 - Low	2 - Very Low	Monitor	Review	A number of workstreams have been established throughout the councils across all service areas to ensure each service is making an impact.
12	If an inappropriate New Affordable Homes Delivery Strategy is adopted by the Council.	Service Delivery	3 - Critical	3 - Critical	3 - Critical	3 - Low	2 - Very Low	Monitor	Review	Will be included in the HRA strategic business plan review.
17	If tenants are unable to access services or we provide inappropriate services	Service Delivery	3 - Critical	2 - Significant	2 - Significant	3 - Low	2 - Very Low	Monitor	Review	Landlord Services Advisory Board reconstituted and a New Customer Satisfaction Survey developed.
23	Safeguard good Planning development in the borough: If there is a change in government policy impacting on the councils ability to meet administration deadlines	Legal/Regulatory	2 - Significant	3 - Critical	3 - Critical	3 - Low	2 - Very Low	Monitor	Review	The impact is currently above the acceptable risk appetite for Legal/Regulatory risk domain. Careful consideration will be given to any changes in regulations due to the impact this could have on the service capacity to manage the impact down to the risk appetite.
1	If the current government regulations enabling councillors to participate in public committee meetings remotely expire before the health risks of the COVID-19 pandemic subside	Legal/Regulatory	2 - Significant	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review	
2	If the COVID-19 pandemic continues to inhibit public participation at meetings	Reputational	2 - Significant	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review	
3	If, despite having access to ample funding, the resources within the Economic Development team are insufficient to implement Waverley's Economic Development Strategy 2018-32	Service Delivery	3 - Critical	1 - Small	1 - Small	3 - Low	3 - Low	Review	Review	Additional resources provided in the 2022/23 revenue Budget.
5	If the council is unable to properly utilise available external funding due to lack of resource / bid writing skills	Service Delivery	3 - Critical	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review	
7	If the council fails in its drive to promote reduce / reuse to achieve our targets on household waste and recycling	Reputational	2 - Significant	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review	
9	If air quality issues are not adequately addressed especially those caused by vehicle emissions	Reputational	2 - Significant	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review	
10	If partnership working is not established, vital action to promote the Boroughs biodiversity may not take place	Reputational	2 - Significant	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review	
13	If homelessness prevention is not effective	Service Delivery	3 - Critical	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review	
14	If Affordable Housing Providers do not share the Council's objectives in delivering homes to meet housing need across the income spectrum.	Service Delivery	3 - Critical	1 - Small	1 - Small	3 - Low	3 - Low	Review	Review	
15	If affordable housing provision avoidance within planning applications is not robustly challenged	Service Delivery	3 - Critical	1 - Small	1 - Small	3 - Low	3 - Low	Review	Review	

16	If homes are unsafe, inefficiently heated, poor quality, unaffordable	Service Delivery	3 - Critical	3 - Critical	3 - Critical	2 - Very Low	2 - Very Low	Review	Review
21	If there are delays in agreeing the LPP2 for submission	Legal/Regulator	2 - Significant	1 - Small	1 - Small	2 - Very Low	3 - Low	Review	Review
24	If Community Infrastructure Levy is not allocated to the most important infrastructure projects	Reputational	2 - Significant	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review
25	If partnership working with all parties involved is not established on the Brightwells regeneration scheme	Reputational	2 - Significant	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review
27	If robust business continuity measures are not in place	Service Delivery	3 - Critical	2 - Significant	2 - Significant	2 - Very Low	2 - Very Low	Review	Review
29	If the council does not work closely with the local resilience forum	Service Delivery	3 - Critical	3 - Critical	3 - Critical	2 - Very Low	2 - Very Low	Review	Review

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

28/03/2022

Title:

Contract Procurement Rules – 2022 Update

Portfolio Holder: Cllr Mark Merryweather, Portfolio Holder for Finance, Assets & Commercial Services

Head of Service: Peter Vickers, Head of Finance and Property

Key decision: No

Access: Public

1. Purpose and summary

1.1 The Contract Procurement Rules (CPRs) form part of the Council's Constitutional framework. They should be maintained and updated as and when required to adopt legislative changes, reflect best practice in the industry and support the Council's corporate objectives.

1.2 The Contract Procurement Rules were last updated and approved by full Council in February 2020. While the CPRs are still fit for purpose there are a small number of alterations required to reflect amendments to procurement regulations as well as to incorporate recommendations from the most recent procurement audit.

1.3 Strategic procurement aspirations will be developed in a Sustainable Procurement Strategy and referenced to in future updates of council policies, including the forth coming Economic Development Strategy

1.4 Summary of key changes:

Change	Rationale
Throughout - Update of Public Contract Regulations 2015 (PCR) thresholds as of 1 January 2022	The thresholds are revised every 2 years. This need to be reflected in the CPRs.
CPR 4.12 – Added to allow greater flexibility to low value spend.	Currently there is no ability to spend beyond the tendered sum for low value contracts. Whilst all possible spend should be captured at tender stage there is always the possibility of that additional services may be required after the contract has commenced. The current procedure is

	considered excessive for the sums involved.
CPR 12 / Annex 1 - Addition of DECLARATION REGARDING CONFLICT OF INTEREST & CONFIDENTIALITY form	There is currently not a robust enough process for capturing any conflicts of interest with regards to procurement. The form is being introduced in conjunction with the refresh of the councils code of conduct for officers.

1.4.1

2. **Recommendation**

The Audit Committee recommends to the Council that the proposed amendments to the Contract Procurement Rules be approved and incorporated into the councils constitution.

3. **Reason for the recommendation**

To adopt legislative changes, reflect best practice in the industry and support the Council's corporate objectives.

4. **Relationship to the Corporate Strategy and Service Plan**

4.1 The Contract Procurement Rules (CPRs) form part of the Council's Constitutional framework.

5. **Implications of decision**

5.1 **Resource (Finance, procurement, staffing, IT)**

No direct financial implications arise from this report. Implementation of the updated CPR's will be achieved using current resources.

Through compliance with the CPR's Waverley will continue to seek achievement of value for money with public funds.

5.2 **Risk management**

5.3 **Legal**

The Council must comply with national legislation governing public procurement. These include the Public Contracts Regulations 2015 and the Concession Contracts Regulations 2016.

5.4 **Equality, diversity and inclusion**

There are no direct equality, diversity or inclusion implications in this report.

5.5 **Climate emergency declaration**

Whilst the climate requirements have been bolstered the most significant impact will come from the creation of the Sustainable Procurement Policy.

6. Consultation and engagement

6.1 Input sought from all council services

7. Other options considered

7.1 No other options considered

8. Governance journey

8.1 Audit to recommend approval at council

Annexes:

Annexe 1 – CPRs

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

Legal Services: 25.02.22

Head of Finance: date

Strategic Director: date

Portfolio Holder: date

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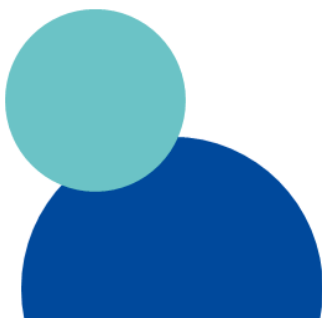
Waverley Borough Council

CONTRACT PROCUREMENT RULES (CPRS)

Latest version number: 2.6

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GENERAL

1. INTRODUCTION

- 1.1 These CPRs set out the minimum requirements the council must follow when procuring and/or entering into Contracts for the supply of goods, works and services including consultants.
- 1.2 The CPRs are put in place to ensure that the council gets value for money for residents, complies with all legal requirements, minimises the risk of challenge / undue criticism, supports social value and sustainability and provides transparency as to how it spends public money.
- 1.3 All purchasing and resulting Contracts made by or on behalf of the council must also comply with:
 - 1.3.1 all applicable statutory provisions;
 - 1.3.2 The Public Contracts Regulations 2015 and The Concession Contracts Regulations 2016 and;
 - 1.3.3 the council's Constitution, Financial Regulations, Scheme of Delegation and Authorised Signatory List as well as all relevant council policies.
- 1.4 The Procurement Officer is responsible for ensuring the CPRs are up to date and reflect current legislation.
- 1.5 The Section 151 Officer (referred to as the S151 Officer) is ultimately responsible for the content of the CPRs.
- 1.6 The thresholds for publishing higher value contracts in accordance the Public Contract Regulations 2015 (PCR) as of 1 January 2022 are £213,477 for Goods and Services and £5,336,937 for Works contracts, both values should be calculated inclusive of VAT.
- 1.7 The Council welcomes comments and feedback on its policies and procedures. Please contact the council procurement officer at Procurement@waverley.gov.uk name if you have any comments.
- 1.8 Related Council Policies – Finance Regulations (insert hyperlink)

2. SCOPE

2.1 These CPRs do not apply to the following types of Contract:

Type of Contract	Policy/ Law which covers Contracts out of scope
Contracts of employment for permanent / fixed term employees / agency staff	HR / Recruitment policies
Land transactions	In accordance with the Local Government act 1972/ Housing act 1985 or any related acts or authorities
Where the Contract relates to a financial transaction	Not subject to competition due to their nature
Works orders placed with statutory undertakers	Not subject to competition due to their nature
Grants being given by the council	Governed by Grant Funding -Service Level Agreements
Contracts for goods and services which have been dealt with or jointly procured by another local authority, public sector consortium or collaboration of which the council is a party but where the council is not the lead authority and the Contract is to be procured in accordance with the applicable Contract standing orders of that public authority. Contract sign off thresholds still apply to such contracts.	The procurement of Contracts of this nature will be governed by the Constitution of the Contracting / lead authority
Orders for goods and services placed against a call-off Contract or Framework Agreement where the call-off Contract or Framework Agreement has been awarded in accordance with these CPRs	The establishment of the call-off Contract or Framework Agreement will be governed by the CPRs in the first instance, as such any call offs / mini competitions ran under such agreement will have already complied with these CPRs.
Where good, services or works are awarded as a result of a declared emergency as authorised by the Emergency Planning and Resilience Officer, where any Contracts awarded are not to exceed the estimated period of recovery	Business continuity management policy
Where the Chief Executive has activated the council's 'Emergency Plan' or a business recovery plan (as outlined in the business continuity management strategy) in response to a Major Incident being declared by resilience partners	Business continuity management policy

2.2 All other Contracts made by or on behalf of the council must comply with these CPRs unless there is an Exception, Waiver or Joint Commissioning (CPR 13).

3. COMPLIANCE

- 3.1 Any members of staff or external supplier purchasing on behalf of the council is expected to comply with these CPRs.
- 3.2 Where there is evidence of deliberate non-compliance with the CPRs disciplinary action may be taken.
- 3.3 Staff must not deliberately break down a Contract with the intention of disaggregating spend for the purpose of avoiding the appropriate governance.

4. GENERAL PRINCIPLES APPLYING TO CONTRACTS

- 4.1 There are four financial value thresholds, Threshold 1: £0-£4,999, Threshold 2: £5,000-£24,999, Threshold 3: £25,000-£99,000 and Threshold 4: £100,000+.
- 4.2 All Contracts must be in writing (which can include emails for Contracts valued within Threshold 1).
- 4.3 The value of any Contract must be determined by its aggregate or total spend forecast.
- 4.4 For every Contract estimated to be within Threshold 1, quotations and tenders may be sought using the council's electronic tendering portal, the South East Shared Services e-sourcing Portal provided by "In-Tend", otherwise quotes can be solicited via email.
- 4.5 For every Contract estimated to be within Threshold 2 or above, all quotations and tenders must be sought using the council's electronic tendering portal, the South East Shared Services e-sourcing Portal provided by "In-Tend".
- 4.6 In the case of recurring procurements for the same goods and services, prior written approval from the S151 Officer must be obtained in order to request quotations from the same suppliers on more than three consecutive occasions.
- 4.7 Details of all Contracts awarded valued at £5,000 and above more must be added to the council's Contract Register on the E-tendering portal together with all supporting documentation.
- 4.8 With regards to thresholds 3-4 Tenders, no supplier may be awarded a Contract if this would result in 50% or more of that supplier's turnover being generated from the Council's Contracts, unless the prior written approval of the S151 Officer has been obtained.
- 4.9 Prior to any invoices being received a purchase/ official order must be raised on the council's official order system or Orchard (Housing Management System).
- 4.10 Prior to any procurement a contract manager shall be identified who will be responsible for ensuring the delivery of the contract.
- 4.11 These CPRs identify relevant legislation that may impact upon council procurements, the list of legislation identified is not exhaustive, and as such officers should satisfy themselves that there is no other legislation that may impact upon their procurements before proceeding.
- 4.12 There is always the possibility that additional services, goods or works which could not have been reasonably foreseen at the point of tendering may be required. In the case of Thresholds 1-2 this is permitted up to an additional 20% of the original contract value, where; there is sufficient budget, the need could not have been anticipated, it is in line with the original scope of the contract and the additional spend does not cause the total spend to exceed £25k. For thresholds 3 and 4 or for variances larger than 20% officers must follow the process as outlined in CPR 13.2.1

5. SOCIAL VALUE

- 5.1 The Public Services (Social Value) Act 2012 places a requirement on people who commission, or buy, public services to consider securing added economic, social or environmental benefits for their local area.
- 5.2 The Act currently applies only to goods and service Contracts over the PCR threshold but shall be considered in all procurements where applicable.
- 5.3 Social value should form part of a bidder's commitments at tender stage and should be tailored to the subject nature of the contract being awarded

6. MODERN SLAVERY

- 6.1 The Modern Slavery Act 2015 was put in place to tackle modern slavery, defined in the act as slavery, servitude, forced or compulsory labour, human trafficking and exploitation.
- 6.2 While the council is not an in-scope organisation for the purpose of the act, officers shall ensure that proportionate due diligence is undertaken to certify that council-appointed contractors do not participate in modern slavery, either directly or within their supply chains.

7. TAX IMPLICATIONS

7.1 Construction Industry Scheme (CIS)

- 7.1.1 Under the Construction Industry Scheme (CIS), the council is required to deduct money from a subcontractor's payments and pass it to HMRC.
- 7.1.2 The deductions are considered an advance payment towards the subcontractor's tax and National Insurance and are an effort by HMRC to protect construction workers from false employment and minimise tax evasion in the construction industry.
- 7.1.3 Officers shall ensure when setting up a new contractor / subcontractor on the councils payment system that all CIS related information is provided to the accounts payable team in order to verify the details.
- 7.1.4 When receiving invoices for works where CIS deductions are being made, a breakdown of labour and materials should be provided, with evidence of the materials if possible.

7.2 IR35

- 7.2.1 IR35 relates to off-payroll working. This is where a supplier is operating and providing services for the council via an intermediary, such as a limited company, and were it not for that arrangement, they would be considered an employee and within IR35. It is the responsibility of the council to determine if IR35 applies or not. If it does apply the council (or fee payer if via an agency) would be responsible for making employment tax and National Insurance deductions.
- 7.2.2 HMRC have developed a toolkit for determining if a supplier is in scope of IR35 but the key considerations are:

- 7.2.2.1 Does the supplier have to carry out the work personally, as opposed to having the option of sending a suitably qualified / experienced replacement from within the same company?
- 7.2.2.2 Does the council have to provide the supplier with work, and/or does the supplier have to carry out any work that the council requires?
- 7.2.2.3 Does the council have control over how, where and when the supplier carries out the work?
- 7.2.3 While the HMRC toolkit and questionnaire are designed to establish the IR35 position, evidence must be retained to justify how that decision has been reached.
- 7.2.4 If the answers to 7.2.1.1 - 7.2.1.3, are yes, the supplier is likely to be in scope of IR35, so they would then be outside the scope of the CPRs as this would be considered an employment contract (either directly with us or through an agency or other employer), see CPR 2.1 (Scope). If the supplier is outside the scope of IR35 they should be considered a consultant and as such are bound by these CPRs i.e. competitive quotes must be obtained, and any subsequent appointments must be in conjunction with the council's consultancy terms and conditions, unless agreed otherwise by the relevant Head of Service.

7.3 Reverse charge of VAT

- 7.3.1 Domestic reverse charge affects the way VAT is collected and paid in the building and construction industry. This means the customer receiving the service will have to pay the VAT due to HMRC instead of paying the supplier. This will impact on procurements where the council is not the end user of the works. If officers think this may affect them then contact the Accountancy service for more information.

8. ACCESSIBILITY STANDARDS

- 8.1 Any procurement that will result in a public facing website where the council or a supplier on its behalf is presenting information relating to the council or services the council offer, must comply with the accessibility standards in both The Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations and Equality Act 2010. The Communications team should be consulted in the above circumstance.

9. CARBON NEUTRAL

- 9.1 Waverley Borough Council has an ambition of being a carbon neutral council by 2030. As such for every procurement within the scope of these CPRs, the environmental impact must be considered when drafting the specification, the emphasis should be placed on minimising the carbon footprint with a view to offsetting the carbon impact where minimising cannot be achieved. The use of renewable energy or low carbon technologies should be stipulated where applicable.
- 9.2 Suppliers being invited to participate in material Waverley procurement exercises (Threshold 4) shall be required to assess and document all measures that they are taking to reduce the carbon footprint of their operations, both in the delivery of the council contract and wider business operations. Where legally permissible Waverley shall take these measures into considerations when evaluating competitive tenders.

10. TRANSPARENCY

- 10.1 **Publication of spend, Contract opportunities and awards** – in accordance with government requirements we publish all council expenditure with suppliers that exceeds £500 and post all Contracts valued at £5,000 and above on our publicly accessible Contracts register, this can be found on the councils public website. Any advertised opportunity valued over £25,000 must be advertised on Contracts finder, for Contracts over £25,000 a Contract award notice must also be published. For PCR threshold contracts, the contract notice and award notice must be published on the Find a Tender Service.
- 10.2 **Freedom of Information** – in accordance with the Freedom of Information Act (FOIA) 2000 and Environmental Information Regulations (EIR) 2004, we have an obligation to publish specific information and to provide information to members of the public upon request. By exception confidential or commercially sensitive information may be withheld. Suppliers should be given the opportunity to identify areas of their tender submission they do not wish to be disclosed.

PREPARING FOR THE PROCUREMENT

11. PRE-CONTRACT CONSIDERATIONS / SIGN OFF

- 11.1 Before commencing a procurement process, officers must ensure:
- 11.1.1 They have conducted an options appraisal and that a procurement is required
 - 11.1.2 that there is adequate budgetary provision for the goods, services or works that they are procuring
 - 11.1.3 that they have the appropriate level of (delegated) authority to procure the goods or services on behalf of the council
 - 11.1.4 that there is no existing Contract or framework that is appropriate and that
 - 11.1.5 where appropriate they have engaged with the procurement officer
 - 11.1.6 that each tender package / request for quotation be accompanied by a comprehensive specification
 - 11.1.7 an assessment, appropriate to the scale and scope of the Contract, of associated risks shall be undertaken by competent officers or consultants to include, but not limited to, technical, commercial, health and safety and reputational risks posed to the council.

12. DECLARATION OF INTERESTS AND CONFIDENTIALITY

- 12.1 **Declaration of Interests** - During the procurement process, if an officer becomes aware that they have an interest (see the councils Code of Conduct) in a Contract which the council has entered into, or proposes to enter into, their interest must be recorded on the Declaration of Interests form (Annex 1). If an external party is involved in the preparation of a procurement, they should complete this form before commencing any work.
- 12.2 **Confidentiality** - Information obtained during the tender process should be considered confidential, information received during this time should not be shared with other bidders in any circumstances except where relevant when providing feedback.

13. EXCEPTIONS, WAIVERS AND JOINT COMMISSIONING

13.1 The CPRs will not apply in the circumstances set out in CPRs 13.2 (Exceptions) 13.3 (Waivers), or 13.4 (Joint Commissioning) provided that the S151 Officer has given his prior approval to the exception, waiver or joint commissioning before the Contract is entered into. Requests must be made using the Exceptions, Waivers and Joint Commissioning request form which will then be logged on a central database.

13.2 **Exceptions** - there may be an exception to the CPRs where:

13.2.1 there is an extension to the duration and/or value of an existing Contract that does not contain a provision for extension provided that the extension is (i) on the same terms as the original Contract and (ii) adequate budgetary provision has been made. Where an extension concerns an PCR Threshold contract or where an extension would lead to a contract falling within the relevant PCR threshold the prior written approval of the Executive is required to award the proposed extension.

13.2.2 there is insufficient credible competition and the S151 Officer has agreed the competition assessment.

13.2.3 there is a variation (additional work) to an existing Contract where the variation is outside the scope of the Contract but it would be inappropriate to offer the additional work to competition; or

13.2.4 the S151 Officer is satisfied that it is appropriate for a single tender or quotation and that;

13.2.4.1 it does not breach the council's statutory obligations,

13.2.4.2 the request considers the requirements of CPR 4, GENERAL PRINCIPLES APPLYING TO CONTRACTS

13.2.4.3 there is adequate and appropriate reason for awarding a Contract without competition,

13.2.4.4 the award of a Contract would provide good value for money and shall specify the evidence to be supplied to evidence this,

13.2.4.5 the necessary checks regarding the proposed Contractor have been undertaken in accordance with CPR 14 ASSESSMENT OF SUPPLIERS (as appropriate) and that the results do not indicate that a Contract award presents an undue risk to the council, and

13.2.4.6 an assessment of any associated risks has been undertaken.

13.3 **Waivers** –the CPRs may be waived only in exceptional circumstances where:

13.3.1 there is a demonstrable and justifiable need to waive or vary one or more of the CPRs on the grounds of urgency; and

13.3.2 if the estimated value of the Contract falls below the PCR threshold the prior written approval of the S151 Officer has been obtained; or

13.3.3 if the estimated value of the Contract falls within the relevant PCR threshold the S151 Officer has obtained the prior written approval of the Executive.

13.4 **Joint Commissioning** –the CPRs may be waived for Contracts where the council:

13.4.1 seeks to jointly deliver services in partnership with other local authorities or organisations.

14. ASSESSMENT OF SUPPLIERS

- 14.1 No assessment of a suppliers financial standing is needed for Contracts estimated to be within Thresholds 1 or 2 unless the goods being purchased are a proprietary item, in which case a financial assessment must be conducted.
- 14.2 A financial assessment of potential suppliers must be undertaken for all Contracts estimated to be within or above Threshold 3
- 14.3 If a Contractor has expressed an interest in being included in a Standing List of Suppliers an assessment will be made of a Contractor's:
- 14.3.1 financial stability and resources;
 - 14.3.2 insurances;
 - 14.3.3 technical and other relevant references;
 - 14.3.4 business continuity plans;
 - 14.3.5 qualifications and experience;
 - 14.3.6 environmental, ethical and employment policies;
 - 14.3.7 previous experiences of dealing with the Contractor;
 - 14.3.8 responsible purchasing policies;
 - 14.3.9 details of other Contracts already, or proposed to be, awarded to the Contractor; and
 - 14.3.10 any other issues that may be considered by the relevant Head of Service as being relevant to the Contract.
- 14.4 A Contractor that does not meet the council's minimum requirements shall not be admitted to a Standing List of Suppliers.
- 14.5 Suppliers that are sole traders can be awarded an individual Contract with a value within Threshold 1 or 2 but the approval of the relevant Head of Service must be obtained to approve such an award with a value within Threshold 3 or above.

15. STANDING LIST OF SUPPLIERS

- 15.1 The relevant Head of Service may maintain a standing list of suppliers for Contracts up to and including Threshold 3 in value.
- 15.2 The council's e-tendering portal must be used to obtain expressions of interest from suppliers to join the standing list.
- 15.3 Potential candidates for inclusion on the standing list of suppliers will be assessed in accordance with CPR 14.
- 15.4 The standing list must be reviewed at least every 2 year and the assessments set out in CPR 14 repeated.
- 15.5 Suppliers can be added to the list during the 2 year period to increase competition or removed due to performance issues.

16. FRAMEWORK AGREEMENT

- 16.1 Prior to entering into a Framework Agreement, approval from the S151 officer must be sought.
- 16.2 A Framework Agreement may be procured using either the Open or Restricted Procedure.
- 16.3 The term of a Framework Agreement must not exceed 4 years.
- 16.4 Contracts based on existing Framework Agreements may be awarded by either:

- 16.4.1 Applying the terms laid down in the Framework Agreement (where such terms are sufficiently precise to cover the particular call off) without reopening competition; or
- 16.4.2 Where the terms laid down in the Framework Agreement are not precise enough or complete for the particular call-off, by holding a mini competition.

17. DYNAMIC PURCHASING AGREEMENT (DPS AGREEMENT)

- 17.1 Prior to entering into a DPS Agreement, approval from the S151 officer must be sought.
- 17.2 A DPS Agreement may be procured using either the Open or Restricted Procedure.
- 17.3 The term of a DPS Agreement must not exceed 7 years.
- 17.4 Contracts based on existing DPS Agreements may be awarded by either:
 - 17.4.1 Applying the terms laid down in the DPS Agreement (where such terms are sufficiently precise to cover the particular call off) without reopening competition; or
 - 17.4.2 Where the terms laid down in the DPS Agreement are not precise enough or complete for the particular call-off, by holding a mini competition.

18. TUPE IMPLICATIONS

- 18.1 Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply when an employee of the authority or of a supplier providing a service to the council may be affected by any staff transfer arrangement as a result of a change in the service provider. Officers must ensure that any TUPE issues are considered and legal advice is obtained from the Legal Services team before proceeding with the Tender / Request for Quotation. Where the TUPE relates to an individual currently or to be employed by the authority, HR should be engaged as soon as this becomes apparent.

19. FINANCIAL VALUES

- 19.1 Prior to commencing a procurement exercise officers must estimate the aggregate value; this will determine which threshold the procurement falls under.
- 19.2 The financial values will be reviewed bi-annually.
- 19.3 If the cheapest tender received is above the upper limit of the estimated CPR financial value as set out in the Threshold Table and/or any approved budget for the procurement of the goods, works or services, the prior written approval of the S151 Officer must be obtained to accept the tender or quotation. Where the PCR thresholds are crossed a tender must be re-run e.g. if the budget for a services tender is £190k but the received bids all exceed the PCR threshold limit of £213k then the exercise but be repeated with a more appropriate procedure.
- 19.4 The Threshold Table (page 14) sets out the general rules applying to the choice of purchasing procedure for Contracts at the stated threshold financial values, it states,

19.5 For purchases valued below £5,000

- a) A minimum of one quote must be sought, this is only a required minimum and best practices dictates you seek multiple quotes to prove you are obtaining true value for money.
- b) The quotes can be sourced via In-tend or email.
- c) Local suppliers should be asked to quote where appropriate.
- d) An official order will constitute the Contract
- e) The purchase and written approval / signing of the Contract can be conducted by any authorised officer

19.6 For purchases valued from £5,000 - £24,999

- a) Either an Open tender or a minimum of three quotes must be sought and obtained; fewer than three is required if written approval is given by the Procurement Officer or Head of Service.
- b) All quotes must be obtained via In-tend.
- c) All quotes must be sealed
- d) The approval / signing of the Contract can be conducted by the relevant Head of Service or above
- e) An official order will constitute the Contract and must be recorded on In-tend

19.7 For purchases valued from £25,000 - £99,999

- a) Either an Open tender or a minimum of three quotes must be sought and obtained; fewer than three is required if written approval is given by the S151 Officer or Deputy S151 Officer.
- b) All quotes must be obtained via In-tend.
- c) All quotes must be sealed
- d) Where the opportunity is advertised it must also be advertised via Contracts Finder, as must be the Contract award.
- e) The Contract must be Signed by the relevant Head of Service or above

19.8 For purchases valued over £100,000

- a) Either an Open tender or a minimum of 3 bids shall be received. For any contract over the PCR threshold any tender procedure as outlined in the Public Contract Regulations 2015 must be followed.
- b) All tenders must be run via In-tend.
- c) All tenders must be sealed
- d) Legal Services to advise if a Seal is required. If Seal is required it must be witnessed in accordance with Schedule of Authorisations to the Scheme of Delegation.
- e) Signed by S151 Officer or Deputy S151 Officer where Seal is not required.

19.8.1 Where the Contract is estimated to be above the relevant PCR threshold, a PCR compliant procedure must be used (see CPR section 20, TENDERING PROCEDURES. Current PCR threshold limits as of 1st January 2022 are Goods/Services - £213,477, Works - £5,336,937, both values should be calculated inclusive of VAT.

Procedure for Procurement (minimum requirements)

	Aggregate value	Advertising required	Contract Award Notice required	Minimum No of quotes	Receipt of quotes/ tenders	Financial assessment required?	Required Contract type	Who signs Contract/ approves order?
Threshold 1	£0-£4,999	None required	No	Minimum of one quote sought (local suppliers should be used where appropriate)	Via email	No	Official Order	Authorised Officer
Threshold 2	£5,000 - £24,999	In-Tend	No	Open tender or Minimum of three quotes obtained (Procurement Officer can agree to fewer)	In-tend	No	Official Order & record on In-tend	HoS or above
Threshold 3	£25,000 - £99,999	In-tend & Contracts Finder	Yes	Open tender or Minimum of three quotes obtained (S151 Officer or Deputy S151 can agree to fewer)	In-tend	Yes	Written, copy to be stored on the councils electronic procurement portal	HoS or above
Threshold 4	Over £100,000	In-tend, Contracts Finder & Find a Tender if applicable	Yes	Open tender or Minimum of three bids received, PCR Procedure where limit exceeded: Goods/Services: £213,477* Works: £5,336,937*	In-tend	Yes	Written - agreed by Legal Services & under seal if required, copy to be stored on the councils electronic procurement portal	Legal Services to advise if a Seal is required. If Seal is required it must be witnessed in accordance with Schedule of Authorisations to the Scheme of Delegation. Signed by S151 Officer or Deputy S151 Officer where Seal is not required.

*PCR thresholds are subject to change every 2 years, any change in threshold levels will be reflected in an update to these CPRs.

Please note the threshold amounts should be calculated **inclusive of VAT**

PROCEDURAL STEPS OF THE PROCUREMENT

20. TENDERING PROCEDURES

20.1 General:

- 20.1.1 The council may apply any procedure that conforms to the Public Contracts Regulations 2015 in its procurement process's.
- 20.1.2 Subject to CPR 13 the appropriate process set out in the Threshold Table must be followed for each procurement determined by the estimated value of that procurement.
- 20.1.3 Invitations to tender or requests for quotations must be issued electronically (via email for Threshold 1 and via the council's e-tendering portal for and procurement within or exceeding Threshold 2).
- 20.1.4 All tenders or quotations must be returned to the council electronically (via email for Threshold 1 and via the council's e-tendering portal for and procurement within or exceeding Threshold 2).
- 20.1.5 A Contract Procurement Report must be completed and stored on E-tendering portal for each tender or quotation within or exceeding Threshold 2
- 20.1.6 For all quotes/ tenders the award criteria must be stipulated before request/tender is published, this includes;
- The assessment criteria
 - The scoring system and weighting to be applied
 - The minimum scores to be achieved (where appropriate)

20.2 Existing arrangements

- 20.2.1 In the first instance anyone purchasing on behalf of the council must check to see if there is an existing arrangement already in place which covers the purchase.
- 20.2.2 Where a framework / dynamic purchasing system / select list has been established to deliver the need, these will be considered alongside other routes in an options analysis.

20.3 Request for Quotation (RFQ)

- 20.3.1 This approach only applies for purchases below £100k where suppliers are requested to submit a quote for the requirements. Like a tender you can apply a price / quality split when evaluating the responses but the award criteria must be stated upfront in the RFQ documentation.

20.4 Open Procedure (One Stage)

The open procedure is where a bidder progresses straight to invitation to tender (ITT), there is no pre-qualification stage involved. This procedure shall apply where:

- a) the value of the Contract award will be below the relevant PCR threshold;

- b) the value of the Contract award will be above the relevant PCR threshold and the council has decided that a single stage tender is appropriate.

20.5 Restricted Procedure (Two Stage)

- 20.5.1 This procedure can only apply where the value of the Contract award will be above the relevant PCR threshold
- 20.5.2 The required advertising and tendering periods must be observed.
- 20.5.3 The advertisement must state that a restricted tendering procedure will be used.
- 20.5.4 Once the closing date for receipt of expressions of interest has been reached a Standard Selection Questionnaire (“SQ”) must be sent to all suppliers that have expressed an interest in tendering.
- 20.5.5 Upon receipt of the completed SSQ the information will be analysed.
- 20.5.6 Invitation to Tender documents shall be dispatched to a sufficient number of suppliers that have been assessed as meeting the minimum technical and financial requirements.
- 20.5.7 If fewer than the required minimum number of suppliers either meet the minimum qualification requirements or express an interest, the relevant director must be consulted to agree whether to seek additional tenderers or to obtain prior written approval from the Management Board to seek fewer than the minimum number of tenders.

20.6 Competitive with negotiation procedure

- 20.6.1 Prior to undertaking a negotiated procedure approval from the S151 officer and Borough Solicitor must be sought.
- 20.6.2 This procedure can only apply where the value of the Contract award will be above the relevant PCR Threshold
- 20.6.3 The competitive with negotiation procedure allows award following the initial ITT stage before negotiations have commenced providing this is stipulated in the tender documentation.

21. OPENING OF QUOTATIONS AND TENDERS

- 21.1 Any quotation or tender received after the specified date and time or at a location other than the one specified will be rejected unless the S151 Officer considers that there are exceptional circumstances that warrant it and this will only be done up to the time when the other tenders are opened.

22. EVALUATION OF QUOTATIONS AND TENDERS

- 22.1 Offers will be evaluated against the award criteria stipulated at the point of publishing a RFQ / Tender. The available options are
 - 22.1.1 **Price only** - accept the offer from the Contractor who, having satisfied the council’s minimum requirements, has offered the lowest price.
 - 22.1.2 **Price / Quality** – where a price quality split is stipulated, the supplier who ranks highest over all shall be awarded the Contract, this is otherwise known as the Most Economically Advantageous Tender (M.E.A.T).

22.1.3 **Quality only** – where the tender is awarded on a fixed budget and the award is governed solely by the qualitative elements.

22.1.4 Where the most economically advantageous tender is to be sought, an assessment criteria and associated weightings will be specified in the invitation to tender.

23. CONTRACT SIGN OFF / SCHEME OF DELEGATION

23.1 A Contract can only be signed / authorised by an officer for which they have authority / delegated authority under the scheme of delegation. The authority levels are:

- £0-£4,999 – Authorised Officer
- £5,000 - £24,999 – Relevant Head of Service or above
- £25,000 - £99,999 – Relevant Head of Service or above
- Over £100,000 – Legal Services to advise if a Seal is required. If Seal is required it must be witnessed in accordance with Schedule of Authorisations to the Scheme of Delegation. Signed by S151 Officer or Deputy S151 Officer where Seal is not required.

CONTENT OF CONTRACTS

24. FORM OF CONTRACT

24.1 No indication of acceptance shall be made to any Contractor except by an officer authorised so to do.

24.2 Contracts valued up to and including Threshold 2 in value shall be the subject of a purchase order unless otherwise stated, in which case a formal Contract shall be prepared in accordance with the requirements of the Borough Solicitor.

24.3 All Contracts within Threshold 4 and above in value shall be the subject of a formal Written Contract - agreed by Legal Services & under seal if required, copy to be stored on the councils electronic procurement portal.

24.4 All Contracts shall:

24.4.1 specify the goods, materials or services to be supplied and/or works to be undertaken, price to be paid, payment terms and conditions, details of any discounts or penalties, the period of the Contract and any other terms and conditions that may be agreed;

24.4.2 provide for the payment of liquidated damages where they are appropriate;

24.4.3 contain details of any security that is required by the council; and

24.4.4 prohibit the Contractor from sub-Contracting or assigning all or any part of the Contract without the express consent of the council.

24.5 Except in exceptional circumstances with the prior written approval of the Chief Executive, all Contracts must be signed or sealed before their commencement.

24.6 Every Contract in Threshold 4 must contain a comprehensive Business Continuity plan.

24.7 Every Contract shall require compliance with current legislation with respect to health and safety at work and sexual and racial equality.

24.8 Every officer who conducts a procurement in excess of £5,000 is responsible for ensuring the details are updated on the councils Contract register.

25. SUB CONTRACTORS

25.1 In Contracts where the council wishes to nominate a sub-contractor, the Contract shall specify whether or not the council will be undertaking the tendering process to select the nominated sub-contractor.

25.2 The council will apply these CPRs to the tender process to select and assess the nominated sub-contractor.

26. CONTRACTS INVOLVING STAGE PAYMENTS

Where any contract that falls into Threshold 4 involves stage payments a final account shall be prepared and presented for examination by the relevant Head of Service before final payment is made. The Financial Regulations should be consulted for more details on Final Payments and Retention monies.

27. FINANCIAL SECURITY

27.1 Adequate financial security and/or a performance bond must be required for all Contracts within Threshold 4 and above in value.

27.2 Adequate financial security and/or a performance bond may be required if considered necessary by the S151 Officer Procuring Officer.

27.3 A retention to the Contract sum must be made in respect of all Contracts within Threshold 4 and above unless otherwise agreed by the S151 Officer (HoS can agree if the Contract is for works).

27.4 A retention to the Contract sum may be made if the relevant Head of Service determines this to be necessary.

CONTRACT MANAGEMENT

28. MANAGEMENT OF CONTRACTS

28.1 Any extensions or variations to a Contract may only be made in accordance with CPR 13.2.1 Exceptions.

28.2 Any proposed amendments to a partnership Contract shall only be agreed with the prior written approval of the Management Board.

28.3 If a Contract is proposed to be terminated for whatever reason, the advice of the Borough Solicitor must be sought in the first instance.

28.4 It shall be a condition of engagement by the council of any person (not being an officer or member of the council) to supervise a Contract that he shall act in full accordance with these CPRs when supervising the Contract as if he were an officer of the council.

28.5 It is the procuring officers responsibility to ensure that there is a robust Contract management plan in place that is proportionate to the scale and scope of the Contract, this should include, but is not limited to:

- a) Regular Contract reviews – to be documented
- b) Clear procedures on the reporting and escalation of Contract failings
- c) Identification of contacts responsible for the Contract within each organisation
- d) The capturing of performance data

29. NOVATION & ASSIGNMENT

The council may agree to the novation or assignment of a Contract if an assessment of the Contractor has been carried out under CPR 14, ASSESSMENT OF CONTRACTORS, and the prior written approval of the Head of Service and S151 Officer has been obtained.

30. DISPOSAL OF COUNCIL ASSETS

Land and buildings

- 30.1 This section refers to disposals that are subject to market conditions.
- 30.2 Disposal includes sales, leases, easements and wayleaves of land and property owned by the Council with the exception of sales under the Right to Buy Scheme.
- 30.3 A report outlining the reasons for disposal shall be prepared, including how it accords with Asset Management Plans (or equivalent), and the proposed method of disposal.
- 30.4 Disposals will be evaluated against the Council's criteria for disposal.
- 30.5 Land and property shall be valued by a qualified valuer.
- 30.6 Disposals valued under £250,000 will be administered by the Head of Finance and Property under the Scheme of Delegation.
- 30.7 Disposals valued over £250,000 will be put to the Investment Advisory Board for evaluation and, if agreed, recommended first Executive and then Council for approval to sell.
- 30.8 Disposal of land and property owned and funded by the Housing Revenue Account shall first be referred to the Head of Housing Operations who will evaluate the disposal in the light of the Housing Asset Management Plan. Disposals will then be recommended to first Executive and then Council for approval to sell.

Other council assets

- 30.9 Proposed disposals of other council-owned assets, including surplus or obsolete furniture or equipment, shall be discussed with the relevant Head of Service to obtain agreement that there is no further need for the items.
- 30.10 Items shall first be offered for transfer within the council.
- 30.11 Any items that remain for disposal shall be sold at the highest price possible. Professional valuations shall be sought as appropriate and estimated sale values shall be agreed by the relevant Head of Service and the Head of Finance and Property. The method of disposal shall be agreed with the S151 Officer.
- 30.12 If deemed appropriate by the relevant Head of Service and the S151 Officer, items may either be:
 - a) offered for sale to all members of staff at a price agreed; or
 - b) advertised for sale, at an price agreed; or
 - c) sold via an open electronic auction, run on the council's E-tendering portal, where appropriate providing its use is approved by Legal and the S151 officer. The relevant Head of Service and the Head of Finance and Property may set a reserve price below which an item may not be sold without the approval of the relevant portfolio holder responsible for the management of the council's assets.
- 30.13 If it is considered that there is a ready market for the item(s) in question, then sealed bids shall be invited from Contractors or organisations that are identified as having a potential interest. The minimum number of bids sought shall be determined in accordance with the thresholds contained in CPR 19.5, 19.6, 19.7 and 19.8.

- 30.14 All sealed bids shall be treated as being tenders and their opening evaluation and acceptance shall be in accordance with CPRs 21, 22 and 23.
- 30.15 Where there is the option of trading an old piece of equipment in part-exchange for a new piece, this option shall be expressly mentioned in any invitation to tender or request for quotation.
- 30.16 Disposal of any stocks and stores that are recorded in the council's accounts shall be disposed of after obtaining the agreement in writing of the Head of Finance and Property and shall be undertaken in accordance with the provisions of the council's Financial Regulations.

GLOSSARY OF TERMS

Authorised Signatory List	This is the list of officers authorised to make financial transactions. Head of Service approval is required before an officer may be included in the List.
Call-off Contracts	This term is used to describe a Contract that is entered into for a specified period but where the total value and quantity of items ordered cannot be quantified at the outset. An example might be a Contract for the supply of office stationery. Prices are specified for the duration of the Contract, subject as necessary to fluctuation according to agreed formulae.
Contract	This term is used to refer to any procurement transaction or planned procurement transaction.
Contract	All references to Contract values refer to the estimated value unless otherwise specified. The estimated value is calculated over the entire period of the Contract, including the period of any possible extensions to the term of the Contract. Where the term of the Contract is not known, a term of 4 years must be assumed and applied when calculating the Contract value. The calculation of the value must be assessed exclusive of Value Added Tax.
Corporate Management Team	The Corporate Management Team is the meeting of the Chief Executive and Directors, which is advised by Heads of Service and other Officers as appropriate.
Financial Regulations	This refers to the set of rules that govern the way the council's finances are administered and controlled. They are maintained by the Section 151 Officer.
Framework Agreement	A Framework Agreement is an arrangement of one or more Contracting authorities with one or more suppliers in order to establish the terms governing the Contracts awarded and includes both Public Sector Framework Agreements and council Procured Framework Agreements.
Goods/Works/Services	A Contract will be in connection with the acquisition of one or more of these categories of purchases. The use of one of these terms should be taken to mean all the terms unless expressly stated to the contrary.
Highest/lowest price	The term "lowest price" (where payment is to be made by the council) shall also be taken to mean the highest price (where payment is to be made to the council).
Land and buildings	Disposal of land and buildings refers to outright sale and long-term leases. It does not include short-term leases of three years or less. The disposal of small parcels of land, such as to private residents for extension of gardens, may be the subject of standard procedures that may be agreed between the relevant director and the Section 151 Officer in accordance with CPR 30.
Lists prepared by third parties	This refers to such lists as "Constructionline" and similar lists of Contractors that have been assessed by other organisations.

Official order	This term is interchangeable with the term purchase order. An official order must be raised prior to receiving an invoice either via the councils official order system or the Orchard system.
Open tendering	Open tendering refers to a situation where all Contractors that have expressed an interest in a Contract are sent an invitation to tender. It is distinct from selective/restrictive tendering in that assessment of the Contractors will take place once the tenders/quotations are received using a questionnaire and an assessment of their financial stability, references and insurances.
Partnership Contracts	Partnership Contracts are designed to enhance cooperation between the council and a Contractor/other parties to the Contract. The purpose is to enable services to be reviewed and delivery arrangements amended at various times within the life of the Contract. Whilst terms and conditions may require amendment as a consequence, it is not intended that this should impede smooth working and transition to new arrangements should be facilitated. Therefore different arrangements will apply to allow amendment to terms and conditions in a planned and controlled manner.
Professional services (“consultants”)	<p>Consultants are used for a wide variety of purposes. Generally the term is therefore used to relate to the providers of professional skills and expertise which, for whatever reason, cannot be provided by the council’s own staff. Regardless of the role to be played, for the purposes of these CPRs Contracts for the provision of professional expertise will be regarded in the same manner as other Contracts for the supply of goods, works and services.</p> <p>Appointment of a person through an employment agency or an appropriate professional body to fulfil duties that otherwise would be performed by a member of staff will not be subject to CPRs. A separate procedure is available from Employee Services concerning this. Engaging a person to undertake a specific piece of work with specific terms of reference is deemed to be consultancy and must be procured in accordance with the CPRs.</p>
Quotation	A price given by a supplier for a specified piece of work, goods or service based largely on the supplier’s terms and conditions but with relevant conditions as determined by the council.
Relevant Director	This term is used to denote the Chief Executive, Director of Finance and Resources (Section 151 Officer) or the Director of Operations in person. Where an officer from one service is working in circumstances where they are responsible to another service for the purposes of a procurement exercise, then it is that other director who is the responsible director. In some CPRs the Chief Executive and the Section 151 Officer are mentioned by title; where this is done, they are not acting as the relevant director.
Relevant Head of Service	This term is used to denote the head of the service responsible for procuring a Contract.
Relevant Portfolio holder	This refers to the elected Member of the council who at the time the procurement exercise is being undertaken is the relevant

	member of the council's Executive responsible for the service in question.
Responsible Purchasing	The council's overarching approach to the acquisition of goods and services, ensuring that purchasing decisions are made with the best long-term interest of the environment in mind, particularly having regard to sustainability issues.
Section 151 Officer	This refers to the council's Chief Finance Officer, being the officer responsible for the council's financial administration as defined by the Local Government Act 1972.
Scheme of Delegation	This term refers to the council's Scheme of Delegation to Officers, which specifies the extent to which the conduct of the council's affairs is delegated to council officers. If at any time there appears to be a conflict between the Scheme of Delegation and Contract Procurement Rules, the former shall take precedence.
Selective/restricted tendering	Selective or restricted tendering refers to a situation where Contractors expressing an interest in tendering/supplying a quotation are asked to complete a pre-qualification questionnaire. The completed questionnaire is assessed, and an assessment of the Contractors' financial stability, references and insurances is undertaken in order to produce a short-list of Contractors that will be invited to tender/provide a quotation.
Specification	The use of the word 'specification' refers to a statement of the council's minimum purchase requirements. For illustrative purposes, it includes as appropriate such matters as: a) Technical drawings b) Recognised international standards c) Method of delivery d) Terms and conditions of supply and delivery e) Responsible purchasing requirements.
Standard Selection Questionnaire	This is the questionnaire which has been developed to simplify the supplier selection process for businesses using the Restricted Procedure to procure goods or services. It has replaced the Pre Qualification Questionnaire.
Supplier/Contractor	Both these terms are used to refer to a provider or potential provider of goods, works or services. Once a Contract has been placed with a supplier, that supplier may be more precisely referred to as a Contractor.
Tender	A price given by a supplier in response to a full specification of the goods, works or services required and based upon terms and conditions specified by the council. These terms and conditions may be as laid out in a commonly used standard form of Contract. The processes for seeking and receiving quotations and tenders are set out within these CPRs. The precise requirements in respect to any specific Contract will have to be assessed according to the nature and complexity of the Contract as well as its value.

Annex 1 – DECLARATION REGARDING CONFLICT OF INTEREST & CONFIDENTIALITY

TENDER PARTICIPANT

Name:	Title:
Tel:	E-mail:
Procurement Exercise:	
Organisation:	

Conflict of Interest

Conflict of Interest refers to situations in which personal interests (which may include financial interests) may compromise, or have the appearance of, or potential for, compromising professional judgement and integrity and, in doing so, the best interests of the Council.

Examples of conflicts of interest include: *(This is not an exhaustive list)*

- Having a financial interest (e.g. holding shares or options) in a potential tenderer or any entity involved in any tendering consortium
- Having a financial or any other personal interest in the outcome of the evaluation of any tender evaluation process
- Being employed by (as staff member or volunteer) or providing services to any potential tenderer
- Being a member of a potential tenderer's management/executive board
- Receiving any kind of monetary payment or non-monetary gift or incentive (including hospitality) from any tenderer or its representatives
- Canvassing, or negotiating with, any person with a view to entering into any of the arrangements outlined above
- Having a close member of your family (which term includes unmarried partners) or personal friends who falls into any of the categories outlined above
- Having any other close relationship (current or historical) with any potential tenderer

It is the individual's responsibility to ensure that any and all potential conflicts are disclosed to the Council in writing prior to them becoming involved in any procurement process. Individuals will be excluded from the procurement process where the identified conflict is in the Council's opinion material and cannot be mitigated.

Option 1: "I do not have any conflicts of interest that prevent my full and unprejudiced participation in this procurement exercise. I also declare that I will inform the Council immediately, should my circumstances change in any way that effects this declaration."

Signature	Date
------------------	-------------

Option 2: "I do have a conflict of interest that may prevent my full and unprejudiced participation in this procurement exercise. The nature of this conflict of interest is described below:

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I also declare that I will inform the Council as soon as is practicable, should my circumstances change in any way that effects this declaration."

Signature	Date
------------------	-------------

Confidentiality
<p>In the course of your duties in relation to the above Procurement Exercise, you may use, have knowledge of, or access to, information which is confidential to the service or the Council. It is a term of your participation in the Procurement Exercise that this confidentiality must be respected. Confidential information must not be published or divulged other than to an authorised person. In cases of doubt about what is confidential or who is authorised, you should consult the relevant Council project lead.</p> <p>You may only disclose the Council's Confidential Information to your employees, agents, consultants and contractors who are directly involved in the provision of elements of the Procurement Exercise and who need to know the information, and you must ensure that any of the above to whom you disclose the information are aware of and will comply with these obligations to confidentiality.</p> <p>Neither you nor your employees, agents, consultants and contractors must use any of the Council's Confidential Information received other than for the purposes of this Procurement Exercise.</p>

I have read the above information and I agree to comply with the obligations to confidentiality.

Signature	Date
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WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

28 MARCH 2022

Title:

FINANCIAL MANAGEMENT CODE

Portfolio Holder: Cllr Mark Merryweather, Portfolio Holder for Finance, Assets and Commercial Services

Director of Service: Graeme Clark, Strategic Director and Chief Financial Officer

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 The Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets out the standards of financial management for local authorities. Each local authority must demonstrate that the requirements of the code are being satisfied.
- 1.2 Demonstrating this compliance with the FM Code is a collective responsibility of elected members, the chief finance officer (CFO) and their professional colleagues in the leadership team. This report updates the committee on progress and sets out proposed actions to strengthen compliance.

2. Recommendation

That the Audit Committee note the progress on the Financial Management Code and endorse the Action Plan set out in this report.

3. Reason for the recommendation

To ensure Waverley is compliant with the FM Code and so demonstrate the standard of financial management to be expected of a local authority

4. Background

- 4.1 The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:
- Financially manage the short, medium and long-term finances of a local

authority

- Manage financial resilience to meet unforeseen demands on services
 - Manage unexpected shocks in their financial circumstances
- 4.2 The FM Code is based on principles rather than prescription. This code incorporates their existing requirements on local government so as to provide a comprehensive picture of financial management in the authority.
- 4.3 The FM Code does not prescribe the financial management processes that local authorities should adopt. Instead, this code requires that a local authority demonstrates that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances.
- 4.4 Good financial management needs to be proportionate to the risks to the authority's financial sustainability posed by the twin pressures of scarce resources and the rising demands on services
- Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
 - Accountability – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
 - Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
 - Adherence to professional standards is promoted by the leadership team and is evidenced.
 - Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
 - The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.
- 4.5 Each of the above principles are translated into a set of financial management standards, listed as A-Q. These cover the core components of a sound framework of financial governance. These are listed in Appendix A To enable authorities to test their conformity with the CIPFA Principles of Good Financial Management, the FM Code translates these principles into financial management standards. These financial management standards will have different practical applications according to the different circumstances of each authority.

Waverley's Implementation and Compliance Plan

- 4.6 Waverley's self-assessment and action plan are drawn from CIPFA's comprehensive Financial Management Code guidance notes which identify a series of key questions against each financial management standard (appendix C). The action plan is set out below and will be reviewed annually. The position against each key question will be monitored throughout the year, supported by evidence and summarized with a RAG rating. This will be reported to Management Board, Audit Committee and Executive

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 The FMCode is supported by the statutory requirement of all local authorities to have sound financial management.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

There are no direct resource implications.

6.2 Risk management

Reviewing the Council's policies will support management and mitigation of financial risk.

6.3 Legal

There are no direct legal implications. Section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

There are no direct implications

7. Consultation and engagement

7.1 Management Board and the Audit Committee have been briefed on the FM Code during 2021. This engagement will continue in future years as set out in the Action Plan.

8. **Other options considered**

8.1 None.

9. **Governance journey**

9.1 Audit Committee March 2022 and Executive May 2022

Annexes:

Annexe A – Table of FM Standards

Annexe B – Action Plan

Annexe C – Key questions from guidance and officer self-assessment

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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A. Summary table of Financial Management standards

FM standard ref	Financial Management standards
PRINCIPLE	Section 1: The responsibilities of the chief finance officer and leadership team
A - Leadership	The leadership team is able to demonstrate that the services provided by the authority provide value for money.
B - Leadership	The authority complies with the CIPFA <i>Statement on the Role of the Chief Finance Officer in Local Government</i> .
	Section 2: Governance and financial management style
C - Assurance	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.
D - Accountability	The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government: Framework (2016)</i> .
E - Sustainability	The financial management style of the authority supports financial sustainability.
	Section 3: Long to medium-term financial management
F - Assurance	The authority has carried out a credible and transparent financial resilience assessment.
G - Sustainability	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.
H - Standards	The authority complies with the CIPFA <i>Prudential Code for Capital Finance in Local Authorities</i> .
I - Sustainability	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.
	Section 4: The annual budget
J - Standards	The authority complies with its statutory obligations in respect of the budget setting process.
K - Standards	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.
	Section 5: Stakeholder engagement and business plans
L – Transparency	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.
M - Transparency	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.
	Section 6: Monitoring financial performance
N - Assurance	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.
O - Leadership	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.
	Section 7: External financial reporting
P - Accountability	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i> .

Q - Accountability The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.

B. FM CODE IMPLEMENTATION ACTION PLAN – UPDATE MARCH 2022

FM Standard	Actions to strengthen compliance with Code	Timescale	Lead
A	<ul style="list-style-type: none"> Run an SMT session to work through the key questions – evidence compliance and produce action plan to address gaps HRA strategic review Review Grant Thornton’s VFM review and identify actions 	<p>March 2022</p> <p>July 2022</p> <p>April 2022</p>	<p>S151</p> <p>Head of Finance</p> <p>S151</p>
B	Management Board complete key questions - evidence compliance and produce action plan to address gaps	April 2022	S151
C	Executive and Audit Committee complete questionnaire covering the key questions in this section – action plan to flow from the results	April 2022	S151
D	Workshop with the Audit Committee - evidence compliance and produce action plan to address gaps	May/June 2022	Head of Finance
E	<ul style="list-style-type: none"> Run an SMT session to work through the key questions – evidence compliance and produce action plan to address gaps Work with Guildford to undertake a mini peer review of the financial style 	<p>March 2022</p> <p>Arrange in April – do in July</p>	<p>S151</p> <p>Finance Manager</p>
F	Evaluate financial resilience from CIPFA and LGA model and Grant Thornton’s reports – prepare short report and statement	July 2022	Finance Manager
G	Finance management team (GC/PV/RP/CK) complete assessment across each key question with evidence to support compliance – prepare action plan to address gaps	March 2022	S151
H	Finance management team (GC/PV/RP/CK) complete assessment across each key question with evidence to support compliance – prepare action plan to address gaps	March 2022	S151
I	Finance management team (GC/PV/RP/CK) complete	March 2022	S151

	assessment across each key question with evidence to support compliance – prepare action plan to address gaps		
J	Finance management team (GC/PV/RP/CK) complete assessment across each key question with evidence to support compliance – prepare action plan to address gaps	March 2022	S151
K	Finance management team (GC/PV/RP/CK) complete assessment across each key question with evidence to support compliance – prepare action plan to address gaps	March 2022	S151
L	Finance management team (GC/PV/RP/CK) complete assessment across each key question with evidence to support compliance – prepare action plan to address gaps	March 2022	S151
M	Run an SMT session to work through the key questions – evidence compliance and produce action plan to address gaps	April 2022	Head of Finance
N	Finance management team (GC/PV/RP/CK) complete assessment across each key question with evidence to support compliance – prepare action plan to address gaps	March 2022	S151
O	Finance management team (GC/PV/RP/CK) complete assessment across each key question with evidence to support compliance – prepare action plan to address gaps	March 2022	S151
P	Finance management team (GC/PV/RP/CK) complete assessment across each key question with evidence to support compliance – prepare action plan to address gaps	March 2022	S151
Q	Finance management team (GC/PV/RP/CK) complete assessment across each key question with evidence to support compliance – prepare action plan to address gaps	March 2022	S151
General	Report on FM compliance to Management Board 6-monthly – April and October	April/Oct	S151
General	Report on FM compliance to Executive Annually – June meeting via Executive Briefing	May/June	Head of Finance
General	Report on FM compliance to Audit Committee	May/June	Head of

	annually – June meeting		Finance
General	Include summary of FM Code compliance in Q4 performance report and AGS each year	May/June	Head of Finance

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C. Key questions from guidance notes

SECTION	FINANCIAL MANAGEMENT STANDARDS	KEY QUESTIONS	Officers Initial Assessment RAG rating
Section 1: The responsibilities of the chief finance officer and leadership team	<p>A - Leadership The leadership team is able to demonstrate that the services provided by the authority provide value for money.</p>	<p>Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team? Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services? Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved?</p>	<p>AMBER</p>
	<p>B - Leadership The authority complies with the CIPFA <i>Statement on the Role of the Chief Finance Officer in Local Government</i>.</p>	<p>Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions? Does the CFO lead and champion the promotion and delivery of good financial management across the authority? Is the CFO suitably qualified and experienced? Is the finance team suitably resourced and fit for purpose?</p>	<p>GREEN</p>
Section 2: Governance and financial management style	<p>C - Assurance The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.</p>	<p>Does the leadership team espouse the Nolan principles? Does the authority have in place a clear framework for governance and internal control? Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability? Does the leadership team espouse high standards of governance and internal control? Does the leadership team nurture a culture of effective governance and robust internal control across the authority?</p>	<p>AMBER</p>

	<p>D - Accountability The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government: Framework</i> (2016).</p>	<p>Has the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements? Does the authority have in place a suitable local code of governance? Does the authority have a robust assurance process to support its AGS?</p>	<p>AMBER</p>
	<p>E - Sustainability The financial management style of the authority supports financial sustainability.</p>	<p>Does the authority have in place an effective framework of financial accountability? Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services? Does the authority's finance team have appropriate input into the development of strategic and operational plans? Do managers across the authority possess sufficient financial literacy to deliver services cost effectively and to be held accountable for doing so? Has the authority sought an external view on its financial style, for example through a process of peer review? Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?</p>	<p>AMBER</p>
<p>Section 3: Long to medium-term financial management</p>	<p>F - Assurance The authority has carried out a credible and transparent financial resilience assessment.</p>	<p>Has the authority undertaken a financial resilience assessment? Has the assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios? Has the authority taken appropriate action to address any risks identified as part of the assessment?</p>	<p>AMBER</p>

	<p>G - Sustainability The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p>	<p>Does the authority have a sufficiently robust understanding of the risks to its financial sustainability? Does the authority have a strategic plan and long-term financial strategy that adequately address these risks? Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (eg using a technique such as scenario planning)? Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short and medium-term decision making?</p>	<p>AMBER</p>
	<p>H - Standards The authority complies with the CIPFA <i>Prudential Code for Capital Finance in Local Authorities</i>.</p>	<p>Has the authority prepared a suitable capital strategy? Has the authority set prudential indicators in line with the Prudential Code? Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?</p>	<p>GREEN</p>

	<p>I - Sustainability The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.</p>	<p>Does the authority have in place an agreed medium-term financial plan? Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy? Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand? Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand? Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims?</p>	<p>AMBER</p>
<p>Section 4: The annual budget</p>	<p>J - Standards The authority complies with its statutory obligations in respect of the budget setting process.</p>	<p>Is the authority aware of its statutory obligations in respect of the budget-setting process? Has the authority set a balanced budget for the current year? Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?</p>	<p>GREEN</p>

	<p>K - Standards The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.</p>	<p>Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves? Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case? Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future? Does the report set out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall?</p>	<p>GREEN</p>
<p>Section 5: Stakeholder engagement and business plans</p>	<p>L – Transparency The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.</p>	<p>How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget? How effective has this engagement been? What action does the authority plan to take to improve its engagement with key stakeholders?</p>	<p>AMBER</p>

	<p>M - Transparency The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.</p>	<p>Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal? Does the authority offer guidance to officers as to when an option appraisal should be undertaken? Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options? Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty? Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?</p>	<p>AMBER</p>
<p>Section 6: Monitoring financial performance</p>	<p>N - Assurance The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</p>	<p>Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability? Do the reports cover both forward and backward-looking information in respect of financial and operational performance? Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data? Are the reports provided to the leadership team in a timely manner and in a suitable format? Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?</p>	<p>GREEN</p>

	<p>O - Leadership The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.</p>	<p>Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability? Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet? Is the authority taking action to mitigate any risks identified? Does the authority report unplanned use of its reserves to the leadership team in a timely manner? Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes?</p>	<p>AMBER</p>
<p>Section 7: External financial reporting</p>	<p>P - Accountability The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.</p>	<p>Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements? Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms? Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom?</p>	<p>GREEN</p>
	<p>Q - Accountability The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.</p>	<p>Is the authority's leadership team provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget? Is the information in these reports presented effectively? Are these reports focused on information that is of interest and relevance to the leadership team? Does the leadership team feel that the reports support it in making strategic financial decisions?</p>	<p>AMBER</p>

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WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

28 MARCH 2022

Title:

INTERNAL AUDIT CHARTER

Lead Councillor: Councillor Peter Marriott, Chairman of the Audit Committee

Strategic Director: Graeme Clark

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 This report provides the Audit Committee with an overview of Waverley's Internal Audit Charter that has been developed in accordance with the requirements of the Public Sector Internal Auditing Standards.
- 1.2 These standards apply to all internal audit service providers, whether in-house, shared services or outsourced. The Public Sector Internal Audit Standards (PSIAS) (Attribute Standard 1000) requires organisations to have an Internal Audit Charter that formally defines the purpose, authority and responsibility of the internal audit activity, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards.

2. Recommendation

- 2.1 It is recommended that the Audit Committee notes the amendments and approves the Internal Audit Charter as attached in **Annexe 1**.

3. Reason for the recommendation

- 3.1 To enable the Audit Committee to have an overview and endorse the Internal Audit Charter.

4. Background

- 4.1 All internal audit services across the public sector are governed by the PSIAS. CIPFA has also produced an Application Note as the sector-specific requirements for local government organisations. The PSIAS and the Local Government

Application Note together supersede the 2006 CIPFA Code of Practice for Internal Audit in Local Government in the UK.

4.2 The objectives of PSIAS are to:

- Define the nature of internal auditing within the UK Public Sector
- Set basic principles for carrying out internal audit in the UK public sector
- Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations;
- Establish the basis for the evaluation of internal audit performance and to drive improvement planning.

4.3 The foundations of PSIAS are not fundamentally different to those adhered to under the CIPFA Code of practice and require an internal audit charter that defines the purpose, authority and responsibility of the internal audit activity, with clear definitions of those fulfilling responsibilities of the 'board' (The Audit Committee) and 'senior management' (Management Board). The proposed Internal Audit Charter, which meets the requirements set out in PSIAS, is attached at Annexe 1 for consideration.

4.4 The Internal Audit Charter must be reviewed periodically (as a minimum annually) by the 'Chief Audit Executive' (Internal Audit Manager) and presented to the Audit Committee.

5. Relationship to the Corporate Strategy and Service Plan

5.1 A financially sound Waverley, with infrastructure and services fit for the future.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

There are no specific current financial implications from this report, however, any changes in the Public Sector Internal Auditing Standards could result in the revision of the charter and the revision of the service delivery provision.

6.2 Risk management

Defining the purpose, authority and responsibility of the internal activity with clear definitions minimises the risk of misunderstandings as to the role of internal audit.

6.3 Legal

The Council must have arrangements in place to adhere to the public sector internal auditing standards and any guidance provided by CIPFA, Chartered Institute Public Sector Financial Accountants

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council

to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 **Climate emergency declaration**

There are no direct implications in this report

7. **Consultation and engagement**

7.1 Strategic Director (S151 Officer) and Chairman and Vice-Chairman of the Audit Committee were consulted on the content of the Internal Audit Charter.

8. **Other options considered**

8.1 N/A

9. **Governance journey**

9.1 The minutes of the meeting will be included on the next Council agenda.

Annexe(s):

Annexe 1 – Internal Audit Charter

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:
Legal Services: 04/03/3022
Head of Finance: 03/03/2022
Strategic Director:
Portfolio Holder: N/A

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INTERNAL AUDIT CHARTER

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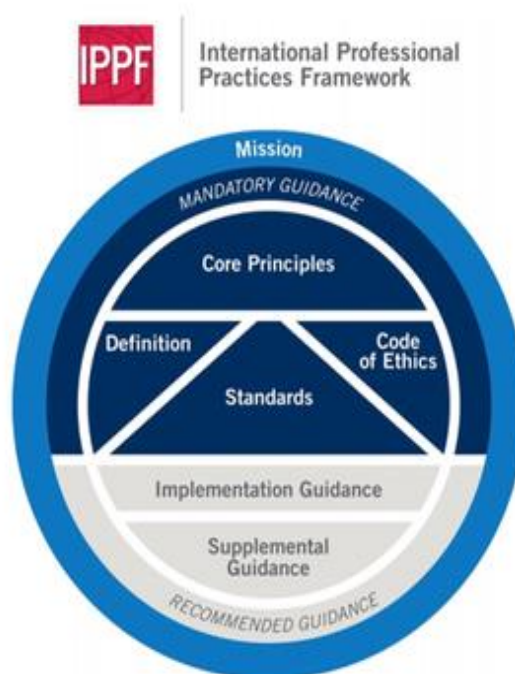
Version	Approved by	Date
V1	Audit Committee	17/09/2013
V2	Audit Committee	21/06/2016
V3	Audit Committee	26/09/2017
V4	Audit Committee	25/09/2018
V5	Audit Committee	24/09/2019
V6	Audit Committee	20/07/2020
V7	Audit Committee	06/09/2021
V7.1	Draft	02/03/2022

1. Introduction

The purpose of the Internal Audit Charter is to define the Internal Audit's purpose, authority, and responsibility in accordance with the UK Public Sector Internal Audit Standards (PSIAS). It establishes Internal Audit's position within the council and reporting lines; authorises access to records, personnel, and physical property relevant to the performance of audit work; and defines the scope of internal audit activities.

The standards form part of the wider mandatory elements of the International Professional Practices Framework (IPPF) which also includes the mission; core principles; core principles; definition of internal audit and Code of Ethics.

The Standards require all internal audit activities to implement and retain an 'Internal Audit Charter'.



2. Definitions

For the purposes of this charter the following definitions shall apply:

2.1 The definition of Internal Audit as set out in the PSIAS:

'Internal auditing is 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.'

Mission of Internal Audit is to 'enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'

2.2 The 'Board'

The board is defined as:

'the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting'.

Within this Council the role of the 'Board' will be fulfilled by the Audit Committee.

2.3 Senior Management

Senior Management is defined as:

'those charged with responsibility for the leadership and direction of the Council'

Within this council the role of 'Senior Management will be fulfilled by the Management Board made up of the Chief Executive and two Strategic Directors.

2.4 Chief Audit Executive

The Chief Audit Executive is described as:

'a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the Definition of Internal Auditing, the Code of Ethics and the Standards. The Chief Audit Executive or others reporting to the Chief Audit Executive will have appropriate professional certifications and qualifications'

Within this Council the role of the Chief Audit Executive will be fulfilled by the Internal Audit Manager.

3. Purpose of Internal Audit

The Accounts and Audit Regulations 2015 (Regulation 5 (1)) require that local authorities to which this regulation applies must ensure that it has a sound system of internal control which: -

- a. Facilitates the effective exercise of its functions and the achievement of its aims and objectives
- b. Ensures that the financial and operational management of the authority is effective and
- c. Includes effective arrangements for the management of risk.

As an independent appraisal function, the primary objective of Internal Audit is to review, appraise and report in a timely manner upon the adequacy of internal controls across the entire control environment of the council.

4. Professionalism

The internal audit activity will govern itself by adherence to the Public sector Internal Audit Standards. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The service, and individual staff will be governed by the Code of Ethics of the relevant professional bodies of which they are a member, and all codes and policies operated by the Council.

5. Authority of Internal Audit

The powers and duties authority of Internal Audit is set out in the Council's Financial Regulations, paragraph 14.3 details the authority Internal Audit has to perform their duty. The Strategic Director (Section 151 Officer) has nominated these rights to the Internal Audit Manager who has direct access to the **Joint Chief Executive (Head of Paid Service) Guildford and Waverley Borough Council's**, and the Audit Committee.

Internal audit staff have access to all Council property and assets, at any reasonable time, and have the authority to apply any test or checks they deem necessary to the accounts, including cash securities, properties or records which relate in any way to the operations of the Council. The auditor can require and receive such explanations from any Officers or Member as deemed appropriate. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities.

6. Organisation

The Internal Audit function sits within the Internal Audit Service that forms part of the Strategic Director's responsibilities, who fulfils the role of the Council's Section 151 Officer. This role is responsible for maintaining an adequate and effective internal audit function and the nomination of an officer to act as the (Chief Audit Executive, IIA) Internal Audit Manager. The Internal Audit Manager is responsible for the day-to-day management and the long-term planning for the service. Therefore, the Internal Audit Manager has free and unfettered access to the **Joint Chief Executive**, Section 151 Officer, Monitoring Officer, and the Chair of the Audit Committee. The Internal Audit Manager will communicate and interact directly with the Audit Committee, including in and between Audit Committee meetings as appropriate.

7. Responsibility of the Internal Audit Service

The key responsibilities of the Internal Audit Service are as laid out in the Council's Financial Regulations:

- The Strategic Director (Section 151 Officer) is responsible for maintaining an adequate and effective internal audit function.

- The internal audit function will operate in accordance with the Public Sector Internal Audit Standards
- The internal audit function is responsible for providing assurance on the Council's system of internal control. It examines, evaluates, and reports on the adequacy of internal control as a contribution to the proper, economic, efficient, and effective use of resources.
- In fulfilling their responsibilities Internal audit staff will undertake effective reviews of systems and procedures on a regular basis.

8. Scope of Internal Audit

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives. Internal control objectives considered by internal audit include:

- ❖ Consistency of operations or programs with established objectives and goals and effective performance.
- ❖ Effectiveness and efficiency of operations and employment of resources.
- ❖ Compliance with significant policies, plans, procedures, laws, and regulations.
- ❖ Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information in a timely manner.
- ❖ Safeguarding of assets.

Internal Audit is responsible for evaluating all processes ('audit universe') of the entity including governance processes and risk management processes. It also assists the Audit Committee in evaluating the quality of performance of external auditors and maintains proper degree of coordination with internal audit.

Internal audit may perform consulting and advisory services related to governance, risk management and control as appropriate for the organisation. It may also evaluate specific operations at the request of the Audit Committee or Management Board as appropriate.

Based on its activity, Internal Audit is responsible for reporting significant risk exposures and control issues identified to the Audit Committee or Management Board, including fraud risks, governance issues, and other matters needed or requested by the Audit Committee.

9. Independence and Objectivity

The internal audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit the maintenance of an independent and objective attitude to enable them to provide impartial, unbiased and effective professional judgements and advice.

To achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities, arrangements are in place to ensure the internal audit activity:

- retains no executive or operational responsibilities.
- operates in a framework that allows unrestricted access to 'senior management' and 'the Board'
- reports functionally to 'the Board'
- reports in their own name
- rotates responsibilities for audit assignments within the internal audit team
- completes individual declarations confirming compliance with rules on independence, conflicts of interest and acceptance of inducements and
- ensures the planning process recognise and address potential conflicts of interest through internal audit staff not undertaking an audit for at least two years in an area where they have had previous operational roles.

If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to 'Senior Management' and 'the Board'. The nature of the disclosure will depend upon the impairment.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

The Internal Audit Manager will confirm to the Audit Committee (Board), at least annually, the organisational independence of the internal audit activity.

The Joint Chief Executive (Head of Paid Service) Guildford and Waverley Borough Council's reviewing and countersigning the performance reviews of the Internal Audit Manager.

10. Internal Audit Plan

At least annually, the Internal Audit Manager will submit to the Audit Committee an internal audit plan for review and approval, including risk assessment criteria. The internal audit plan will include timing as well as budget and resource requirements for the next fiscal year. The Internal Audit Manager will

communicate the impact of resource limitations and significant interim changes to Management Board, Senior Management, and the Audit Committee.

The internal audit plan will be developed based on a prioritisation of the audit universe using a risk-based methodology, including input of Service Managers, Management Board, and the Audit Committee. Prior to submission to the Audit Committee for approval, the plan will be discussed with Senior Managers and Management Board. Any significant deviation from the approved internal audit plan will be communicated through the periodic activity reporting process to Audit Committee.

11. Internal Audit Resources

The Internal Audit Manager will hold an appropriate professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.

The Strategic Director (Section 151 Officer) is responsible for providing the Internal Audit Manager with the appropriate resources to maintain an adequate and effective internal audit service.

The Internal Audit Manager will ensure that the Internal Audit service has access to an appropriate range of knowledge, skills, qualifications, and experience required to deliver the audit plan.

12. Reporting and Monitoring

A written report will be prepared and issued by the Internal Audit Manager after receipt from the contractor following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Audit Committee throughout the year.

The final version of the internal audit report will include management's response and corrective action taken regarding the specific findings and observations. Management's response includes a timetable for anticipated completion of the action to be taken and an explanation for any corrective action that will not be implemented. Where an agreed timeframe has not been met these will be reported to the Audit Committee. This allows a decision to be made on whether a change in the agreed timeframe is necessary or whether the action is still applicable if control enhancements have been implemented elsewhere that negates the need for the action.

The internal audit activity will be responsible for appropriate follow-up on agreed actions with the responsible Head of Service. All agreed action will remain on the monitoring system (Pentana) until implemented or approved to be removed by the Audit Committee if a justifiable reason is provided to support the request.

The Internal Audit Manager presents the Annual Internal audit opinion as part of the Annual Internal Audit report to the Management Board which is then included in the Annual Governance Statement that supports the Annual Accounts. The Internal Audit Annual Audit Opinion includes an assessment of

the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

13. Role of Internal Audit in Fraud Related Work

The role of Internal Audit in fraud related work is set out in the following Council documents:

- Financial Regulations
- Anti – Fraud, Corruption, and Bribery Strategy
- Whistleblowing Policy
- Prosecution Policy
- Fraud Response Plan
- Housing Tenancy Fraud Policy

The primary responsibility for maintaining sound systems of internal control including arrangements to prevent and detect fraud and corruption lies with management. Completion of planned audit work assists this process by highlighting areas where controls maybe inadequate or are not operating as management intended.

The Internal Audit Manager also facilitates the authority's participation in the National Fraud Initiative (NFI) in which specified data is matched with data supplied from other Local Authorities and external agencies to detect potentially fraudulent activity.

14. Performance of Non-Audit Activities

The Internal Audit Manager has line management responsibility for the Council's Fraud Investigation Officer, which forms part of the Internal Audit Service. To maintain independence and avoid conflict of interest any internal audits of these functions will be undertaken by an externally procured resource.

Where individual internal auditors undertake non–audit activities, for example in participating in corporate projects in a non–audit role, the auditor involved will not participate in future audits of the service/project area until at least one year has elapsed from completion of the activity.

15. Periodic Assessment

The Internal Audit Manager is responsible for periodically providing a self-assessment on the internal audit activity as regards its consistency with the Audit Charter (purpose, authority, responsibility) and performance relative to its plan.

In addition, the Internal Audit Manager will communicate to the Management Board and the Audit Committee on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years. However, as

most of the Audit Plan work is completed by an External Contractor, Public Sector Internal Auditing Standards requires them to have an external quality assessment completed at least every 5 years and this is confirmed and included in the **Councils** Annual Internal Audit Report. The evidence of these assessments is checked by the External Auditors as part of their assessment of the internal control and governance framework in place within Waverley Borough Council. ~~as part of the work completed for the External Audit findings report.~~

16. Review of the Internal Audit Charter

This charter will be reviewed annually by the Internal Audit Manager and where changes are required will be presented at least every 2nd year to the Audit Committee for approval.

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

28TH MARCH 2022

Title:
PROGRESS ON THE IMPLEMENTATION INTERNAL AUDIT AGREED ACTIONS

Lead Councillor: Councillor Peter Marriott, Chairman of the Audit Committee

Head of Service: Graeme Clark, Strategic Director

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 To inform the Audit Committee of Senior Management's progress in implementing the agreed actions raised by Internal Audit following a review in their service areas. This report will enable the Committee to consider what action is required in respect of those that are overdue or appear likely to be implemented later than the original agreed implementation date.

2. Recommendation/s

- 2.1 It is recommended that the Committee considers the information contained in **Annexe 1** and, following discussion at the Audit Committee meeting identifies any action it wishes to be taken and
- 2.2 Considers the Head of Service(s) justification for a request for a change in the agreed target date for the Management Actions (s) listed in **Annexe 2** and agree an appropriate implementation date(s).

3. Reason for the recommendation

To enable the Audit Committee to be informed of the status of agreed actions accepted by Heads of Service but not yet implemented or progress made to implement by the agreed implementation date.

4. Background

4.1 This report provides the Audit Committee with the latest position regarding the implementation of Internal Audit agreed actions.

5. Relationship to the Corporate Strategy and Service Plan

5.1 A financially sound Waverley, with infrastructure and services fit for the future.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Internal audit work helps management in achieving good value for money and, individual agreed actions may have value for money implications and protect the council from financial risks.

6.2 Risk management

There is a risk that where weakness or non-compliance identified as part of audit reviews, if not actioned to strengthen the controls will not assist to prevent the materialising of the risks identified.

6.3 Legal

There are no direct legal implications, although good governance and probity are strengthened by attending to the matters raised within the audit agreed actions.

6.4 Equality, diversity, and inclusion

There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out, when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

There are no direct implications in this report

7. Consultation and engagement

7.1 Heads of Service and SMT.

8. Other options considered

8.1 N/A

9. Governance journey

9.1 The minutes of the meeting will be included on the Council agenda.

Annexes:

Annexe 1 – provides the current position on agreed actions due for completion at the end of the month of the Audit Committee date.

Annexe 2 – provides the requests from Heads of Service for changes to the agreed action dates.

Background Papers

There are no background papers, as defined by Section 100D (5) of the Local Government Act 1972).

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Agreed and signed off by:
Legal Services: 04/03/2022
Head of Finance: 03/03/2022
Strategic Director:
Portfolio Holder: N/A

Agreed Internal Audit Actions overdue or due by 31 March 2022



Generated on: 17 March 2022

Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed

Head of Service Ellwood, Zac



IA20/08.001 Target Response Times						
Action Code & Description	Monitoring of response targets against those highlighted in the Enforcement Plan for the 3 priorities are not currently measured or reported: Priority One – Major – First contact or site visit within 1 working day from receipt of complaint Priority Two – Medium – First contact or site visit within 5 working days from receipt of complaint Priority Three – Low – First contact or site visit within 10 working days from receipt of complaint				Exit Meeting Date	15-Jan-2020
					Due Date	01-Jan-2022
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/08 Planning Enforcement					
Agreed Action	1.1 The measuring of response times to be incorporated into the incoming new Horizon programme that replaces ILAP. 1.2 The information for reporting will be available on request from the new Horizon programme that replaces ILAP. Risk -Performance issues may not be identified. (ZE)					
Status		Overdue	Progress	90%	Head of Service	Zac Ellwood
All Notes	The draft Local Planning Enforcement Plan went informally to Exec Briefing on 8 March. It was initially due to go on to the agenda for the Services O&S meeting on 21 March, but we have been asked by the Executive to hang fire until the Plan is in a more finished state to be debated. The next O&S meeting after March is 21 June, meaning it would then go on to Executive for final sign off either on 5 June or 6 August. Suggest extension to 31 August 2022.					17-Mar-2022
	Target times are addressed in the updated enforcement plan which is scheduled to go to Services O&S in March 2022.					14-Feb-2022
	The enforcement plan has been drafted and is under review.					02-Feb-2022
	Extension Agreed by Audit Committee on 08/11/2021 until 01/01/2022					09-Nov-2021
The main framework of an End-to-End processing system is now in place with the Horizon system. The reporting functionality is online however we are currently testing the output for clarity. Final Snagging works are in progress. Expected date: 01/01/2022					08-Nov-2021	

	Target date changed to 31/10/2021 as agreed by Audit Committee on 06/09/2021	08-Sep-2021
	Completion of this action is dependent on the necessary functionality being available in the new Horizon system, which is not yet in place;	01-Jul-2021
	Due changed re AC November agreement to 31/03/2021	04-Dec-2020


IA20/08.002 Out of Date Enforcement Plan						
Action Code & Description	There has been six years of operations since the Enforcement Plan was issued. Elements of the plan relating to key performance indicators and proactive working are out of date and no longer reflect operational activity.				Exit Meeting Date	15-Jan-2020
					Due Date	01-Jan-2022
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/08 Planning Enforcement					
Agreed Action	To update and agree the Local Planning Enforcement Plan Risk - Key policy document may be out of date and not reflect current operations. (ZE)					
Status	●	Overdue	Progress	90%	Head of Service	Zac Ellwood
All Notes	The draft Local Planning Enforcement Plan went informally to Exec Briefing on 8 March. It was initially due to go on to the agenda for the Services O&S meeting on 21 March, but we have been asked by the Executive to hang fire until the Plan is in a more finished state to be debated. The next O&S meeting after March is 21 June, meaning it would then go on to Executive for final sign off either on 5 June or 6 August. Suggest extension to 31 August 2022.					17-Mar-2022
	Draft plan is scheduled to go to Services O&S in March 2022.					14-Feb-2022
	Updated draft report written, submitted to HoS. Whole council enforcement review with BT due to feed into final doc. Awaiting further instruction. Update expected March 2022.					04-Feb-2022
	Extension Agreed by Audit Committee on 08/11/2021 until 01/01/2022					09-Nov-2021
	Expected - January 2022					08-Nov-2021
	Target date changed to 31/10/2021 as agreed by Audit Committee on 06/09/2021					08-Sep-2021
	The Council is actively looking at how it will deliver enforcement and inspection functions more holistically at the corporate level and it was therefore agreed with the Environment Overview & Scrutiny Committee that scrutiny of the draft Local Enforcement Plan will now take place in September 2021 so that any implications for/from the corporate project can be taken into account. The Plan itself is almost complete in draft form.					01-Jul-2021
	Due date changed re AC November agreement to 31/03/2021					04-Dec-2020
Meeting with Development Manager & Enforcement Manager arranged for November and reporting timescales set in Forward Plan.					09-Nov-2020	


IA20/17.001.1 Reconciliation						
Action Code & Description	From our discussion with Planning and Accountancy teams, we noted that an overall reconciliation process does not take place between planning income received and that which is logged in the planning system, ILAP, and planning income recorded in the accounts. Such a process being in place would better enable the Council to demonstrate that income received is accurately reflected and would give additional reassurance to that effect.				Exit Meeting Date	16-Jun-2020
					Due Date	31-Jan-2022
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Initiate reconciliation process using current systems.					
Status	●	Overdue	Progress	85%	Head of Service	Zac Ellwood; Peter Vickers

All Notes	Further dev. Works required. Scope delayed significantly, mutually by both StatMap and Planning to allow urgent works and attention to rectify the bugs experienced at initial launch of Horizon in Planning. Proposed extension requested please through to Q3 31 December 2022 whereupon the latest position can be reviewed in terms of 3rd party development works and costs.	17-Mar-2022
	Exacom and Agresso handling payments. Development of Exacom relationship with Horizon (for receipts) is a WIP, delayed due to LPP2 deadlines.	14-Feb-2022
	Extension Agreed by Audit Committee on 08/11/2021 until 31/01/2022	09-Nov-2021
	BT/ Richard Moss advised the agreement was that Horizon would record the transaction ID from any planning portal applications and this is happening. Technicians are manually entering a transaction ID of any other payment types, i.e., Adelante card payment taken over the phone, online payment taken via the website/form or cheque, and It is my understanding that this isn't slated to change. However, I am unaware of the scope for the new portal and am awaiting updates following. Expected date: 01/31/2022	08-Nov-2021
	To be part of Horizons new module release in Q3.	21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021	08-Sep-2021
	Action awaiting successful Horizon role out.	30-Jun-2021
	Due date changed re AC November agreement to 31/05/ 2021	21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'	11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021	04-Dec-2020
Linked to Project Horizon - rollout Q4 2020;/21	09-Nov-2020	


Action Code & Description	IA20/17.002.2 Recording of pre application advice					
	Budgets were set, within the last few years, based on a consistently increasing housing market and using the assumption that status quo would apply to planning activity regardless of outside events which had direct effects on consumer confidence in the past. Analysis of the market behaviour might, in future, inform a different outcome in terms of budget setting, and in turn mitigate the risk of setting too ambitious or too small an income target.				Exit Meeting Date	16-Jun-2020
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Record pre-application advice on larger applications likely to be supportable.					
Status		Overdue	Progress	90%	Head of Service	Zac Ellwood
All Notes	Re-designed pre-app service very much in the works, with a Q1 22/23 launch anticipated. Budget already agreed and front-end design stage in progress, regression testing WIP. Based on current officer caseloads, would request a proposed extension please through to 1st July 2022 thus ensuring we can deliver the new structure efficiently.					17-Mar-2022
	Pre-app service has been restarted. However new service model has been submitted and Horizon integration is nearing completion. Needs final sign off before final development stage will be completed.					14-Feb-2022
	Extension Agreed by Audit Committee on 08/11/2021 until 30/11/2021					09-Nov-2021
	this service has been suspended temporarily and is anticipated to restart by end Nov. 2021					08-Nov-2021
	New pre-app report and framework has been submitted for approval. Subsequent Horizon resource will facilitate relaunch.					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Due to Horizon delays, Pre-apps suspended to potentially through to 13th August. Allowing time to review the process in line with Horizon development.					30-Jun-2021
Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021	



	Internal task and finish group now set up to look at this matter.	11-Feb-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'	11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021	04-Dec-2020

IA20/17.003.1 Planning Reference Number						
Action Code & Description	Testing for the approval of refunds, from the ILAP system/documentation held, through to the finance system, Agresso, was completed on a reduced scale due to the inability of the ILAP system to run a report specifically on refunds.				Exit Meeting Date	16-Jun-2020
	However, from filing completed earlier in the 2019/2020 financial year, we selected a sample of five refunds. For 2/5 we were unable to confirm that the request had approval for refund, and we were also unable to confirm the date that the refund was requested in order to check it had been issued both appropriately and in a timely manner. Where refunds are issued it is important to retain an audit data trail and document authorisations, timings and reasons for refunds being made. For example, including an appropriate planning reference on Agresso payment records alongside. Risk: Risk of loss of income				Due Date	31-Jan-2022
Risk Level	High Priority				Risk RAG	■
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Discussions with Finance Service over joint procedures to ensure that all records necessary are held on the Planning database and the Finance records hold the Planning reference for refunds.					
Status		Overdue	Progress	70%	Head of Service	Zac Ellwood; Peter Vickers
	Exacom relationship with Horizon is now functional and working, however the team are running snagging tests and development items are in the works and manually processes still on place. To allow snagging process to complete, would request a proposed extension through to 30 th June 2022 to allow snagging and testing to be completed.					17-Mar-2022
All Notes	Development of Exacom relationship with Horizon was started in 2021, however stalled due to LPP2 deadlines. Expected to recommence March 2022.					14-Feb-2022
	Validation process notes are in final draft, last snagging items for decision process (text control update) in progress with Horizon					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Development meeting has taken place, awaiting deliverable dates from Horizon in terms of final requirements/ snags outstanding					06-Sep-2021
	Snags identified with the roll out of Horizon have dictated the stall in progress in this regard. SMT have requested a meeting with Horizon developments to review.					30-Jun-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021					04-Dec-2020



IA20/17.004.1 Automate payment extraction from portal						
Action Code & Description	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				Exit Meeting Date	16-Jun-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.				Due Date	31-Jan-2022
Risk Level	High Priority				Risk RAG	■
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Ensure the new Planning Database extracts the payment details directly from the Portal payment to remove manual entry of data.					
Status		Overdue	Progress	80%	Head of Service	Zac Ellwood
All Notes	Further dev. Works required. Scope delayed significantly, mutually by both StatMap and Planning to allow urgent works and attention to rectify the bugs experienced at initial launch of Horizon in Planning. Proposed extension requested please through to Q3 31 December 2022 whereupon the latest position can be reviewed in terms of 3rd party development works and costs.					17-Mar-2022
	Agresso/Horizon integration is on hold. Exacom development works to be completed first (in snagging)					14-Feb-2022
	Extension Agreed by Audit Committee on 08/11/2021 until 31/01/2022					09-Nov-2021
	In testing/ snagging stage. Expected date: 01/31/2022					08-Nov-2021
	In development					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
Due date changed re AC November agreement to 28/02/2021.					04-Dec-2020	

IA20/17.004.2 Spot Checks						
Action Code & Description	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				Exit Meeting Date	16-Jun-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.				Due Date	31-Jan-2022
Risk Level	High Priority				Risk RAG	■
Audit Report Code and Description	IA20/17 Planning Fee Income					

Agreed Action	Ensure the new Planning Database extracts the payment details directly from the Portal payment to remove manual entry of data.					
Status		Overdue	Progress	80%	Head of Service	Zac Ellwood
All Notes	This action is dependent on the above action. Proposed extension requested please through to Q3 31 December 2022 whereupon the latest position can be reviewed in terms of 3rd party development works and costs.					17-Mar-2022
	Initial module (PA) in Horizon is functional and currently under audit. Financials is WIP and with Devs.					14-Feb-2022
	Extension Agreed by Audit Committee on 08/11/2021 until 31/01/2022					09-Nov-2021
	It is understood that the signing off the DM module is a few short weeks away re the Horizon System. Spot checks have been carried out through the development process however regular sense checks will be initiated once final snagging complete. Expected date: 01/31/2022					08-Nov-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
Due date changed re AC November agreement to 28/02/2021.					04-Dec-2020	



Action Code & Description	IA21/01.001 Account Setup				Exit Meeting Date	22-Jan-2021
	Implement a criteria that the user is required to set up an account which includes the need to use an email address for each session of upload of comments made to the Waverley Borough Council's planning website. It is acknowledged that there are future plans for this to be implemented when Waverley moves to 365 when gaining access to all online Council services. Consideration should however be given to local groups who may have a coordinator/ or other individuals that upload comments, relating to Planning applications or other consultation exercises, on behalf of others due to them not having the technical capabilities or IT access to do this for themselves.				Due Date	31-Dec-2021
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA21/01 Planning comments on portal Advisory Review					
Agreed Action	<i>The investment of £3,000 - £4,000 (as a one-off cost) to implement this account setup will be funding by Planning Services. Where an email account will be mandatory, and a pin will be sent to that email address for the account to be activated to confirm and submit comments to the planning CIVICA website. (ZE) (Support from IT)</i>					
Status		Overdue	Progress	75%	Head of Service	Zac Ellwood
All Notes	Planning module within Horizon is functional, the consultation conversations around this topic have recommenced. Civica quotes to complete relevant development works expired and have been re-requested, will be taken to HoS thereafter. However, 8 weeks lead in for development work to be considered. As no quote has yet been received for these works, I would please request please through to Q3, 31 December 2022 whereupon the latest position can be reviewed in terms of 3rd party development works and costs.					17-Mar-2022
	Now (Feb'22) the planning Horizon system is almost at first stage completion, the consultation conversations around this topic have recommenced. Civica quotes to complete relevant development works are being confirmed and will be taken to HoS thereafter. However, 8 weeks lead in for development work to be considered.					04-Feb-2022
	Target Date change re Audit Committee Agreement on 06/09/2021 to change to 31/12/2021					09-Sep-2021
	Awaiting order from Planning Service deferred pending Horizon implementation.					22-Jun-2021



	Investment in account set-up now agreed by relevant Head of Service.	11-Feb-2021
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IA21/01.002 Declarations						
Action Code & Description	The declaration on the Waverley CIVICA Planning website should be expanded, clearly stating the possible implications of making a false declaration, before starting the online process of input to the website re confirmation that they are the individual making the comments as well as including their email address.				Exit Meeting Date	22-Jan-2021
	Other authorities websites include statements such as: - "Login details are confidential and only used to prevent anonymous comments" or in the prevention or investigation of fraudulent activity as the law permits. "Planning services will not share your data with third parties except where necessary to process your comments and preventing or detecting crime".				Due Date	31-Dec-2021
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA21/01 Planning comments on portal Advisory Review					
Agreed Action	<p><i>The declaration can be updated to enable positive confirmation that they are the person named making the comment with the use of a tick box.</i></p> <p><i>Inclusion of "preventing or detecting crime" might also make them think twice about using someone else's name.</i></p> <p><i>(ZE supported by Legal)</i></p>					
Status		Overdue	Progress	10%	Head of Service	Zac Ellwood
	These works relate to the above-mentioned action and require development work. I would please request an extension through to Q3 31 December 2022 whereupon the latest position can be reviewed in terms of 3rd party development works and costs.					17-Mar-2022
All Notes	Target Date change re Audit Committee Agreement on 06/09/2021 to change to 31/12/2021					09-Sep-2021
	Dependent on software upgrade.					11-Feb-2021


Head of Service Homewood, Richard

IA22/04.003.1 System Issues						
Action Code & Description	The Data Protection Act requires that everyone responsible for using personal data has to follow 'data protection principles. They include that data should be "accurate and, where necessary, kept up to date", "kept for no longer than is necessary" and "ensures appropriate security of the personal data".				Exit Meeting Date	27-Oct-2021
	<p>The Council maintains a list of residents who may put staff at risk – the Staff Safety Register (SSR). Possible new entries on to the SSR are proposed by staff via the ReportIt E-form and assessed by the Health and Safety Team. We were advised that residents are informed in writing when they are added to the SSR, however our testing of five entries in the register found no evidence of this.</p> <p>The Health and Safety Team have responsibility to ensure that the SSR remains up to date and maintained in line with the principles of the Data Protection Act. We were advised that records have been subject to review by the Health & Safety Team during 2021, and at the time of our audit this was an ongoing task. The previous review was completed in August 2018.</p> <p>Based on the data provided there were 138 entries on the SSR.</p> <p>The recent review by the H&S team of the SSR has so far identified that 22 records, which had been marked for deletion in 2018, were still held within</p>				Due Date	31-Mar-2022


	<p>the SSR at the time of our discussions and therefore held for longer than necessary and remain openly available to all Officers of the Council.</p> <p>We were provided with a report from the SSR, and this showed that 91 out of 138 records had "N/A" entered into the review date field. The Emergency Planning, Resilience and Safety Officer advised that the N/A entries were historic.</p> <p>It is the responsibility of the H&S Team to maintain the SSR, however, the Team does not have the necessary access to do this. A formal request to enable the H&S team to be able to process records (add, amend, delete after review) within the SSR along with other risk assessment tools was submitted to the IT department in June 2021.</p> <p>Additionally, during our testing we noted that there are no documented procedure notes for maintaining and processing data in the Staff Safety Register, nor are there clearly stated responsibilities to ensure that the register is in line with GDPR requirements and information recorded remains appropriate.</p>					
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA22/04 Lone Working Policy					
Agreed Action	3.1 System issues outlined will be fixed by the creation of a new SSR. This has been commissioned by the H&S Team, but IT Department's work programme will not be complete until late March 2022.					
Status		In Progress	Progress	90%	Head of Service	Richard Homewood
All Notes	System issues outlined will be fixed by the creation of a new SSR This has been commissioned by the H&S team from the IT service's work programme, although the action is due by 31 March 2022, an extension to 30 June 2022 from the Audit Committee is requested to give IT Service the opportunity to complete this work					01-Mar-2022

	IA22/08.004.1 Relationship management					
Action Code & Description	<p>We note that the resulting 'working together approach' appears to be working well with transparency on both sides to ensure service efficiency is maximised and disproportionate admin time spent in resolving smaller issues has ceased. (There have been no invoices received in 2021/22 from the contractor in respect of missed bin 'extra' collections).</p> <p>We have seen evidence of a routine client / contractor meeting where these arrangements are partially evidenced.</p> <p>On a forward looking note this relationship management approach will need close monitoring to ensure that benefits continue to be realised but with the caveat that a balanced 'challenge' from the client continues with a particular eye on overall performance. There would be merit in formalising this partnership approach in a written 'principles of partnership and relationship management' document which would galvanise current arrangements and provide guidance for any new contract managers.</p>				Exit Meeting Date	25-Jan-2022
					Due Date	28-Feb-2022
Risk Level	Low Priority				Risk RAG	
Audit Report Code and Description	IA22/08 Waste Management (Bins)					
Agreed Action	The working together approach will be reviewed at the next contract review meeting on 16 February and the effectiveness of the current position recorded and confirmed in the notes of the meeting.					
Status		Overdue	Progress	80%	Head of Service	Richard Homewood
All Notes	Working relationship discussed at Contract Review meeting on 16 February. Written principles of partnership and relationship management being produced for joint agreement. Extension to due date to 30 April 2022 requested to give sufficient time to draft this document and get it agreed with the contractor.					01-Mar-2022


Head of Service Smith, Andrew

Action Code & Description	IA20/10.002 Comparison to electoral roll					Exit Meeting Date	06-May-2020
	<p>The Private sector housing team have not completed a comparison of the number of people in a household on the electoral roll to the register of properties (HMOs) already known. For example, 8 Badgers Close Farncombe, has 4 adults able to vote and appears on electoral role all with different surnames would be worth investigating)</p> <p>Risk: - If HMO's are not identified and inspected could result in loss or harm to life.</p>					Due Date	31-Dec-2021
Risk Level	Low Priority					Risk RAG	■
Audit Report Code and Description	IA20/10 Private Sector Housing HMOs						
Agreed Action	Continue to update HMO list with data from tenancy deposit schemes. Carry out examination of electoral roll to identify potential HMOs and investigate.						
Status		Overdue	Progress	90%	Head of Service	Andrew Smith	
All Notes	Progress has been sufficient to confirm a completion date of 31 March 2022.					14-Feb-2022	
	The administration officer in the Private Sector Housing Team continues to work on this while coping with a large workload, Progress is slow. Each address has 3-4 surnames which all have to be checked. A request is made for an extension and to be realistic, a target completion date of 30 June 2022.					01-Feb-2022	
	Target date change re agreed at Audit Committee on the 06/09/2021 to 31/12/2021					08-Sep-2021	
	This is a major piece of work, which will take several months to complete in combination with other tasks. The Private Sector Housing Manager anticipates this work to be completed by 31 December 2021.					08-Jul-2021	
	This is a major piece of work, which will take several months to complete in combination with other tasks. The Private Sector Housing Managers anticipates the work to be completed by 31 March 2022					08-Jul-2021	
	Dependent on recruited officer starting employment in or before January 2021 - delay due to Covid-19.					08-Oct-2020	

Head of Service Vickers, Peter



Action Code & Description	IA20/17.001.1 Reconciliation					Exit Meeting Date	16-Jun-2020
	<p>From our discussion with Planning and Accountancy teams, we noted that an overall reconciliation process does not take place between planning income received and that which is logged in the planning system, ILAP, and planning income recorded in the accounts.</p> <p>Such a process being in place would better enable the Council to demonstrate that income received is accurately reflected and would give additional reassurance to that effect.</p>					Due Date	31-Jan-2022
Risk Level	Medium Priority					Risk RAG	■
Audit Report Code and Description	IA20/17 Planning Fee Income						
Agreed Action	Initiate reconciliation process using current systems.						
Status		Overdue	Progress	85%	Head of Service	Zac Ellwood; Peter Vickers	
All Notes	Further dev. Works required. Scope delayed significantly, mutually by both StatMap and Planning to allow urgent works and attention to rectify the bugs experienced at initial launch of Horizon in Planning. Proposed extension requested please through to Q3, 31 December 2022 whereupon the latest position can be reviewed in terms of 3rd party development works and costs.					17-Mar-2022	



	Exacom and Agresso handling payments. Development of Exacom relationship with Horizon (for receipts) is a WIP, delayed due to LPP2 deadlines.	14-Feb-2022
	Extension Agreed by Audit Committee on 08/11/2021 until 31/01/2022	09-Nov-2021
	BT/ Richard Moss advised the agreement was that Horizon would record the transaction ID from any planning portal applications and this is happening. Technicians are manually entering a transaction ID of any other payment types, i.e., Adelante card payment taken over the phone, online payment taken via the website/form or cheque, and It is my understanding that this isn't slated to change. However, I am unaware of the scope for the new portal and am awaiting updates following. Expected date: 01/31/2022	08-Nov-2021
	To be part of Horizons new module release in Q3.	21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021	08-Sep-2021
	Action awaiting successful Horizon role out.	30-Jun-2021
	Due date changed re AC November agreement to 31/05/ 2021	21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'	11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021	04-Dec-2020
	Linked to Project Horizon - rollout Q4 2020/21	09-Nov-2020



IA20/17.003.1 Planning Reference Number			
Action Code & Description	Testing for the approval of refunds, from the ILAP system/documentation held, through to the finance system, Agresso, was completed on a reduced scale due to the inability of the ILAP system to run a report specifically on refunds.	Exit Meeting Date	16-Jun-2020
	However, from filing completed earlier in the 2019/2020 financial year, we selected a sample of five refunds. For 2/5 we were unable to confirm that the request had approval for refund, and we were also unable to confirm the date that the refund was requested in order to check it had been issued both appropriately and in a timely manner. Where refunds are issued it is important to retain an audit data trail and document authorisations, timings and reasons for refunds being made. For example, including an appropriate planning reference on Agresso payment records alongside. Risk: Risk of loss of income	Due Date	31-Jan-2022
Risk Level	High Priority	Risk RAG	■
Audit Report Code and Description	IA20/17 Planning Fee Income		
Agreed Action	Discussions with Finance Service over joint procedures to ensure that all records necessary are held on the Planning database and the Finance records hold the Planning reference for refunds.		
Status		Overdue	Progress 70%
All Notes	Further dev. Works required. Scope delayed significantly, mutually by both StatMap and Planning to allow urgent works and attention to rectify the bugs experienced at initial launch of Horizon in Planning. Proposed extension requested please through to Q3 31 December 2022 whereupon the latest position can be reviewed in terms of 3rd party development works and costs.	Head of Service	Peter Vickers Zac Ellwood;
	Development of Exacom relationship with Horizon was started in 2021, however stalled due to LPP2 deadlines. Expected to recommence March 2022.		17-Mar-2022
	Validation process notes are in final draft, last snagging items for decision process (text control update) in progress with Horizon		14-Feb-2022
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021		21-Oct-2021
	Development meeting has taken place, awaiting deliverable dates from Horizon in terms of final requirements/ snags outstanding		08-Sep-2021



	Snags identified with the roll out of Horizon have dictated the stall in progress in this regard. SMT have requested a meeting with Horizon developments to review.	30-Jun-2021
	Due date changed re AC November agreement to 31/05/ 2021.	21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'	11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021	04-Dec-2020

Head of Service Wagstaff, Hugh


IA21/15.001.1 Leaseholder Service Charge Policy						
Action Code & Description	Our review found the Council does not have a leaseholder service charges policy in place.				Exit Meeting Date	18-Oct-2021
	Our review also found that the procedures which were available, dated July 2016, did not align with the current leaseholder service charging process.				Due Date	31-Jan-2022
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA21/15 Service Charges re Leasehold Flats					
Agreed Action	1.1 WBC to produce and implement a Lease holder service charge policy					
Status		Overdue	Progress	50%	Head of Service	Hugh Wagstaff
All Notes	Request extension to 30 September 2022 due to staffing resources and priority work on return.					17-Mar-2022
	Request extension to 30 June 2022 due to staffing resources and priority work on return.					14-Feb-2022
	Request an extension for all actions to end March 2022 due to staffing resources issue.					28-Jan-2022
	Work progressing collating information to inform the Leaseholder Service Charge Policy					04-Nov-2021
	Project Team identified to progress audit recs.					18-Oct-2021

IA21/15.001.2 Procedures						
Action Code & Description	Our review found the Council does not have a leaseholder service charges policy in place.				Exit Meeting Date	04-Nov-2021
	Our review also found that the procedures which were available, dated July 2016, did not align with the current leaseholder service charging process.				Due Date	31-Jan-2022
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA21/15 Service Charges re Leasehold Flats					
Agreed Action	1.2 WBC to review, revise and implement said procedures					
Status		Overdue	Progress	50%	Head of Service	Hugh Wagstaff
All Notes	Request extension to 30 September 2022 due to staffing resources and priority work on return.					17-Mar-2022
	Request extension to 30 June 2022 due to staffing resources and priority work on return.					14-Feb-2022
	Request an extension for all actions to end March 2022 due to staffing resources issue.					28-Jan-2022
	Work progressing collating information to develop the Leaseholder Service Charge procedure.					04-Nov-2021



IA21/15.002.1 Quality Control						
Action Code & Description	We were advised that invoice checking is carried out by a member of the Housing team who will perform random spot checks, which aim to ensure that invoices are accurate. However, no evidence of these checks is recorded.				Exit Meeting Date	04-Nov-2021
	Therefore, the Council are unable to demonstrate such accuracy checking takes place prior to billing.				Due Date	31-Jan-2022
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA21/15 Service Charges re Leasehold Flats					
Agreed Action	2.1 Quality control to be incorporated into revised procedures					
Status		Overdue	Progress	50%	Head of Service	Hugh Wagstaff
All Notes	Request extension to 30 September 2022 due to staffing resources and priority work on return.					17-Mar-2022
	Request extension to 30 June 2022 due to staffing resources and priority work on return.					14-Feb-2022
	Request an extension for all actions to end March 2022 due to staffing resources issue.					28-Jan-2022
	Work progressing - Housing Income Officer receiving invoices to collate information for service charge. Developing Leaseholder Service Charge policy and procedure to include QA					04-Nov-2021

IA21/15.003.1 Clear Policy of the recharging of utilities						
Action Code & Description	Leaseholders should expect to be charged for a proportion of actual cost of utilities, as set out in their lease agreements.				Exit Meeting Date	22-Jul-2021
	Utilities costs were approved to be invoiced during 2020/2021 based on prior year invoices. We were told by Senior Accountancy staff, and the Home Ownership Officer that the reason for this was due to difficulty analysing past invoicing and no way yet to determine the usage of these utilities by individual leaseholder premises. The Council are in the process of installing a system of smart meter monitoring to enable accuracy within the billing and apportionment of utilities costs.				Due Date	30-Nov-2021
	Whilst invoicing for charges in 2020/21 has been based on prior years usage, The Housing Finance Manager was unable to demonstrate that this had been approved.					
We also found that the Council received a query from a leaseholder around their utilities charges and why they had been invoiced the same amount for a second year in a row. Due to the Housing Finance Managers current absence from work, we were unable to obtain an explanation on whether this query was resolved, or how.						
Risk Level	High Priority				Risk RAG	
Audit Report Code and Description	IA21/15 Service Charges re Leasehold Flats					
Agreed Action	3.1 WBC will produce a clear policy on how it will calculate utilities charges. From said policy, identify resource required to implement the policy If additional resource required a request will be made to Management Board					
Status		Overdue	Progress	50%	Head of Service	Hugh Wagstaff
All Notes	Request extension to 30 September 2022 due to staffing resources and priority work on return.					17-Mar-2022
	Request extension to 30 June 2022 due to staffing resources and priority work on return.					14-Feb-2022
	Housing Income Officer now receives all invoices and has recording system with definitive list of communal areas. Leaseholder Service Charge policy and procedure to include utilities.					04-Nov-2021

IA21/15.005.1 Section 20 Works						
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Action Code & Description	Where repair and maintenance work are likely to be subject to Section 20 of the Landlord and Tenant Act 1985 and the cost of works will be over £250 per dwelling; a quote should be obtained for that work to be carried out. Notification should then be sent to leaseholders in which details of the charges to be made will be advised. Should such repairs be an unavoidable emergency the Council can apply for dispensation of the requirement to notify leaseholders of the charge.				Exit Meeting Date	04-Nov-2021
	We were advised that the Council has not retained copies of the section 20 notification letters issued, and therefore were unable to demonstrate that any of the nine instances selected for our testing had adhered to the required process. Key documentation, such as the notification letter, ought to be retained by the authority so that it is readily available should it be required.				Due Date	31-Jan-2022
Further enquiry around Section 20 work, for which invoices are due to be issued during 20/21, confirmed that leaseholders had not received the required notification before works began. This situation arose, as advised by the Head of Housing Operations, due to the Council being unable to comply with the section 20 process for a period of time within the last year following a three-month notice period given by their previous contractor, and the lack of available time to procure a replacement provider. Therefore, emergency interim arrangements were made for the responsive repairs and maintenance service which could not follow the section 20 process, and a report was submitted to Waverley Borough Council Executive on 7th January 2020 outlining the issue.						
The impact of this is that invoices to eight Leaseholders had to be capped for the Section 20 work carried out resulting in a cost to the Council of £5,970 for works.						
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA21/15 Service Charges re Leasehold Flats					
Agreed Action	5.1 WBC will produce a clear policy and implement guidance to officers relating to good record keeping practices. Increasing transparency and accountability. Officers to access internal filing systems such as Orchard and Civica WBC to identify resource required to implement regular quality checks If additional resource required a request will be made to Management Board					
Status		Overdue	Progress	50%	Head of Service	Hugh Wagstaff
All Notes	Request extension to 30 September 2022 due to staffing resources and priority work on return.					17-Mar-2022
	Request extension to 30 June 2022 due to staffing resources and priority work on return.					14-Feb-2022
	Request an extension for all actions to end March 2022 due to staffing resources issue.					28-Jan-2022
	Appointed consultants to support review and training. Created centralised tracker for s20 notifications, commenced review of procedure documents and trained 50% of involved staff (19 Oct and 25 Nov). Notices updated to reflect current EU requirements.					04-Nov-2021

Action Code & Description	IA21/15.006.1 Aged Debt				Exit Meeting Date	04-Nov-2021
	Aged leaseholder debt has not been adequately pursued for collection due to a long-term vacancy in the Housing Team. This vacancy was being covered through the use of temporary agency staff, but that resource was impacted by the first National COVID-19 lockdown. A permanent Housing Income Officer has now been appointed to take on this role.				Due Date	31-Jan-2022
Our review of charges made during 20/2021 confirmed that approximately 60 standard leaseholder service charges remain unpaid. These equate to approximately £3,300 for invoices which were issued during April 2020.						
We were also provided with a leaseholder invoices file which showed that invoices remain outstanding dating back to July 2018 and this equates to approximately £90,000.						

Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA21/15 Service Charges re Leasehold Flats					
Agreed Action	6.1 WBC to create an Action Plan to review aged debt. Focus to be placed on recovering higher debt All outstanding debit to be prioritised Communicate that WBC will pursue Court action to recover debt Income officer to work with Agresso Systems Accountant to review and revise current reports					
Status		Overdue	Progress	5%	Head of Service	Hugh Wagstaff
All Notes	Request extension to 30 September 2022 due to staffing resources and priority work on return.					17-Mar-2022
	Request extension to 30 June 2022 due to staffing resources and priority work on return.					14-Feb-2022
	Request an extension for all actions to end March 2022 due to staffing resources issue.					28-Jan-2022
	Identified as project once Leaseholder Service Charge policy and procedure in place					04-Nov-2021

ANNEXE 2

Requests for extension/s to previously agreed implementation date/s

Recommendation Ref No/s	IA20/8.001 & 002.
Justification for an extension	<p>Completion of this action is dependent on the contents of the Local Planning Enforcement Plan to set related performance measures and therefore dependant on the completion of (IA20/08.002). (IA20/08.001)</p> <p>The next O&S meeting after March is 21 June, meaning it would then go on to Executive for final sign off either on 5 June or 6 August. (IA20/08.002)</p> <p>Therefore, an extension to 31 August 2022 from the Audit Committee is requested.</p>
Recommendation Ref No/s	IA20/17.001.1, 2.2, 3.1, 4.1, 4.2.
Justification for an extension	<p>Action awaiting additional elements to the core system functionality yet to be implement in the planning system. (IA20/17.001.1, 4.1, 4.2)</p> <p>Therefore, an extension to 31 December 2022 from the Audit Committee is requested.</p> <p>IA20/17.002.2</p> <p>Based on current officer caseloads, a proposed request for an extension to 1st July 2022 thus ensuring we can deliver the new structure efficiently.</p> <p>Therefore, an extension to 1st July 2022 from the Audit Committee is requested.</p> <p>IA20/17.003.1.</p> <p>A request for an extension to the end June 2022 to allow snagging and testing to be completed.</p> <p>Therefore, an extension to 30 June 2022 from the Audit Committee is requested.</p>
Head of Service	Zac Ellwood, Head of Planning and Economic Development

Recommendation Ref No/s	Houses of Multiple Occupancy IA20/10.003
Justification for an extension	<p>Progress has been sufficient to confirm a completion date of 31 March 2022.</p> <p>Therefore, a request for a revised completion date of 31st March 2022 is sought.</p>

Head of Service	Andrew Smith, Head of Strategic Housing and Community Services
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Recommendation Ref No/s	Lone Working Policy IA22/04.003.1
Justification for an extension	<p>A new Staff Safety Register is to be created to address these issues but as previously discussed there is a lot of pressure on the IT team, and they will not be able to by the target date.</p> <p>Although the action is due by 31 March 2022, an extension to 30 June 2022 from the Audit Committee is requested to give IT Service the opportunity to complete this work.</p>

Recommendation Ref No/s	Waste Management (Bins) IA22/08.004.1
Justification for an extension	<p>This was discussed at the contract review meeting with Biffa on 16 February 22, and we now need to draft the written 'principles of partnership and relationship management'</p> <p>An extension to 30 April 2022 from the Audit Committee is requested to give sufficient time to draft this document and get it agreed with the contractor.</p>
Head of Service	Richard Homewood, Head of Regulatory and Environmental Services

Recommendation Ref No/s	Service Charges IA21/15.001.1-6.1.
Justification for an extension	Request extension to 30 September 2022 due to staffing resources and priority work on return.
Head of Service	Hugh Wagstaff, Head of Housing Operations

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WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

28 MARCH 2022

Title:

PROGRESS ON THE INTERNAL AUDIT PLAN FOR 2021-22

Lead Councillor: Councillor Peter Marriott, Chairman of the Audit Committee

Strategic Director: Graeme Clark

Key decision: Yes

Access: Public

1. Purpose and summary

1.1 Purpose and summary of the report.

1.2 The Committee's Terms of Reference include provision for the Committee to approve, monitor and comment on the progress made in the achievement of the Internal Audit Plan. An update on the current position of the Internal Audit Plan for 2021-22 is presented for the Audit Committee to note status of the plan.

2. Recommendation

It is recommended that the Audit Committee notes the contents of the Internal Audit Plan 2021-22 progress report as attached in Annexe 1, noting the 3 reviews that have been deferred to 2022-23, either due to absence of key officers or resources in internal audit being deployed to other audit reviews. There will be no impact of the deferral of these reviews as they are system reviews with limited financial impact.

3. Reason for the recommendation

To enable the Audit Committee to be informed of the work that has been completed to provide them with assurance that the control environment is working as intended.

4. Background

4.1 The progress report for 2021-22 is detailed in Annexe 1.

5. Relationship to the Corporate Strategy and Service Plan

5.1 A financially sound Waverley, with infrastructure and services fit for the future.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

There are no specific financial implications from this report, however, the delivery of the Audit Plans will contribute towards the Council's sound financial and management processes and help ensure sound probity and governance arrangements are in place.

6.2 Risk management

The reviews included in this Plan have been risk assessed and are being necessary to provide management with assurance that the controls in place are sufficient to safeguard the authority's assets.

6.3 Legal

The Council must have an operational Audit Plan that covers a period of no more than a year in order to fully comply with the requirements of the Code of Practice issued by CIPFA, which is given mandatory status by the Accounts and Audit Regulations 2015.

6.4 Equality, diversity, and inclusion

There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

There are no direct implications in this report

7. Consultation and engagement

7.1 Heads of Service, Management Board and the Chairman and Vice-Chairman of the Audit Committee were consulted on the content of the proposed draft Audit Plans.

8. Other options considered

8.1 N/A

9. Governance journey

9.1 The minutes of the meeting will be included on the next Council agenda.

Annexes:

Annexe 1 – Progress on the Internal Audit Plan for 2021-22

Background Papers

There are no background papers, as defined by Section 100D (5) of the Local Government Act 1972).

CONTACT OFFICER:

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Agreed and signed off by:
Legal Services: 04/03/2022
Head of Finance:03/03/2022
Strategic Director:
Portfolio Holder: N/A

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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 Audit Executive 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 Internal Audit Manager’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 contractor has adopted the new CIPFA recommended standard terminology and definitions to be used in internal audit engagements across the whole Public sector and for a standard set of opinions and supporting definitions for internal audit service provider to use. This has resulted in minor amendments to those previously used by Southern internal Audit Partnership and adopted by the internal inhouse provision in accordance with best practice.

The recommended CIPFA classifications:-

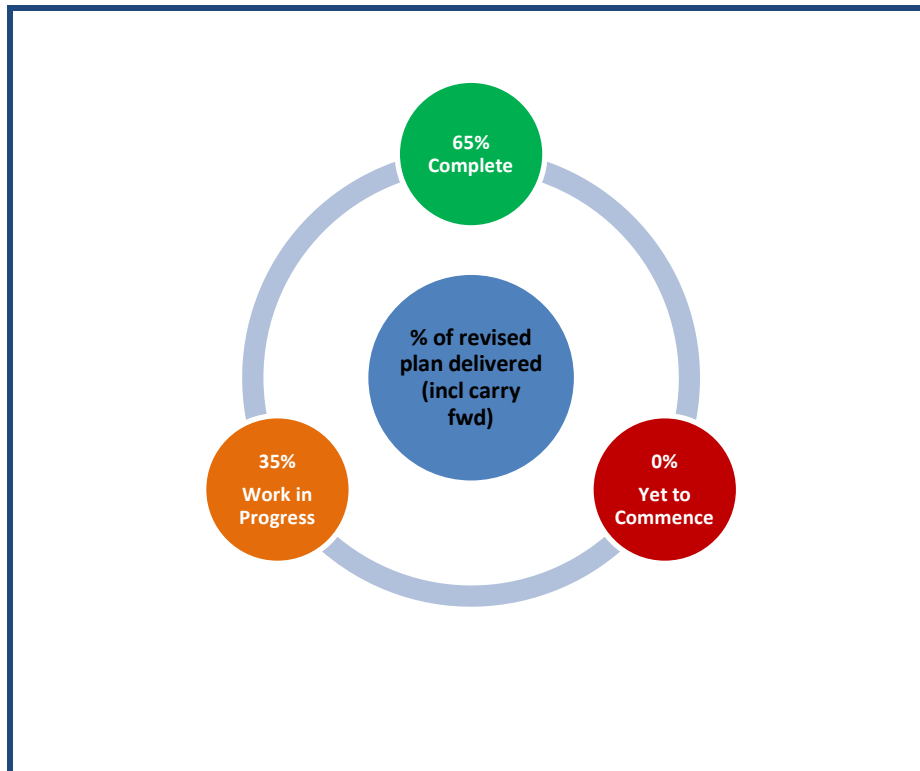
Substantial A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

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



% Includes those reviews completed by the contractor in 2021-22 does not include deferred reviews.

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 ‘Completed’ audit plan reviews

Audit Review	Final Report Issued Date	Audit Sponsor	Assurance Opinion	Management Actions						
				Total Action Reported	Not Accepted	Not Yet Due	Complete	Overdue Actions		
								L	M	H
Post Payment Business Grant Compliance	10/09/2021	HOF&P	Substantial	0						
IT Risk Assessment of our current environment (remote working and server capacity etc.)	14/10/2021	SD (151)	Advisory	0						
Responsive Repairs	08/10/2021	HOHO	Reasonable	6			6			
Treasury Management	08/10/2021	HOF&P	Substantial	2			2			
Lone Working Policy	27/10/2021	HOERS	Limited	13		1	11			1
CHS Boiler Replacement	16/11/2021	HOHO	Advisory	5		5	1			
Rent Recovery	28/01/2022	HOHO	Reasonable	4		1	3			
Gas Safety Certificates	28/01/2022	HOHO	Substantial	0						

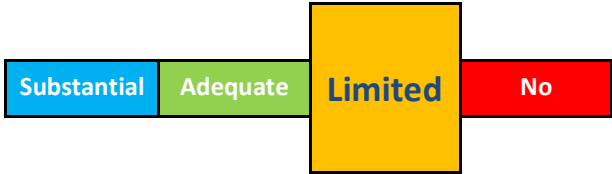
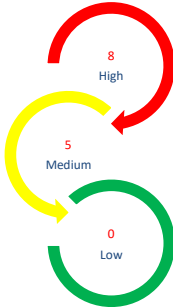
Audit Review	Final Report Issued Date	Audit Sponsor	Assurance Opinion	Management Actions						
				Total Action Reported	Not Accepted	Not Yet Due	Complete	Overdue Actions		
								Priority		
								L	M	H
Waste Management (Bins)	31/01/2022	HOERS	Limited	6		5		1		
Payroll re bank changes	16/02/2022	HOP&G	Advisory							
Climate Change Preparedness	03/03/2022	HOERS	Reasonable	4		2	2			
Debt Management	08/03/2022	HOF&P	Reasonable	8		8				

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HOF&P	<i>Head of Finance and Property - Peter Vickers</i>	HOBT	<i>Head of Business Transformation - David Allum</i>
HOP&G	<i>Head of Policy and Governance - Robin Taylor</i>	HOHO	<i>Head of Housing Operations - Hugh Wagstaff</i>
HOCS&SP	<i>Head of Commercial Services - Kelvin Mills</i>	HOHD&C	<i>Head of Housing Delivery & Communities - Andrew Smith</i>

HOERS	<i>Head of Environmental and Regulatory Services - Richard Homewood</i>	HOP&ED	<i>Head of Planning and Economic Development – Zac Ellwood</i>
CEO	<i>Chief Executive - Tom Horwood</i>	SD Director/s	<i>Strategic Directors - Graeme Clark/Annie Righton</i>

5. Executive Summaries ‘Limited and ‘No Assurance opinions

Lone working Policy (IA22-04)		
<p>Directorate Sponsor:</p> <p><i>Anne Righton</i></p> <p>Final Report Issued: 27/10/2021</p> <p>(Note:- of the 13 actions, 11 have been implemented)</p>	<p>Assurance opinion:</p> 	<p>Management Actions:</p> 
<p>Areas assessed to be working well/controls are effective.</p> <ul style="list-style-type: none"> The Health & Safety Group receives, and reviews reports, related to health and safety activity and these have been updated to include lone working incidents and agree actions to mitigate for and improve staff safety. 		

Areas where the framework of governance, risk management and control could be improved.

- The Risk Assessment form (RA2) is completed by individual officers who have lone working responsibilities each year as part of the performance management process and directs them to undertake mandatory lone working training. However, aside from basic induction training, specific training for staff on lone working is not available to staff either as a classroom, or on an e-learning basis.
- Staff induction includes a section on lone working highlighting the key messages for new staff. However, it does not refer staff to the current lone working policy and the expectations placed upon staff and their managers to ensure safe lone working practices. Additionally, training is currently not in place to fully support and promote lone working and the Staysafe app functionality within the lone working policy.
- Although a Lone Working Policy was reviewed and updated in March 2021 and published for staff stating the roles and responsibilities for managers and staff when planning for and undertaking lone working, we note that it is not consistent with messages regarding Lone Working Risk Assessment within the over-arching Health and Safety Policy. Further to this none of the managers within our sample of departments who contributed to this audit were able to provide us with evidence that risk assessments had been carried out.
- A Staff Safety Register is maintained, and records names and addresses of concern presenting risks to staff. It is updated via notification using the "Report It!" e-form. New notifications are reviewed by the Emergency Planning, Resilience and Safety Officer prior to addition to the Staff Safety Register. We were advised that residents are informed in writing when they are added to the SSR, however our testing of five entries in the register found no evidence of this.
- Although the register was reviewed in February 2021 there remains data recorded in the register, which was due for deletion after review, despite request for deletion made to IT colleagues. Information is therefore being held for longer than necessary and remains openly available to all Officers of the Council.
- Whilst a Staff Safety Register is in use; guidance for staff to maintain the register is not documented nor has responsibilities for data quality been appropriately assigned.
- Staff due to be working alone are required to update their Outlook diary with the time and period of their site visit, as well as details of their contact and the address of the venue. The policy also advises that alternative databases can be used to record details of contacts, but outlook should be used to record the day/time/duration of their visit. However, if too much data is recorded in the

diary entries there is a risk of non-compliance with GDPR. When we tested a sample of staff, we identified that Outlook diaries are not being consistently maintained as per the Lone Working Policy.

- The Council has purchased access to the "StaySafe" app, which staff can download to their work or personal mobile phone. The service includes access to a mayday / panic alarm wristband to be used for serious concerns during a lone working interaction. However, downloading of the app by staff and its use has seen low take up with around 50% of staff recorded as using the app. The Lone Working Policy allows for the use of appropriate alternatives. However, the alternative arrangements being used operationally that we identified as part of this audit were not driven by the completion of risk assessments and have not been subject to review to confirm the alternative arrangements adequately mitigate the risks identified.
- Reports are run from the StaySafe system and issued to managers on a monthly basis to enable them to review activity and usage, review possible areas of concern, and to support learning and improve risk assessments undertaken to reduce staff exposure to lone working risks. However, the low take-up of the StaySafe app weakens the reporting functionality and value.
- From our enquiries with a sample of managers we found an example where escalation contact details recorded within StaySafe were incorrect due to staff long term absence.

Management Response / Update:

Waste Management (Bin Stocks & Stores Controls and Missed Bins) IA22-08

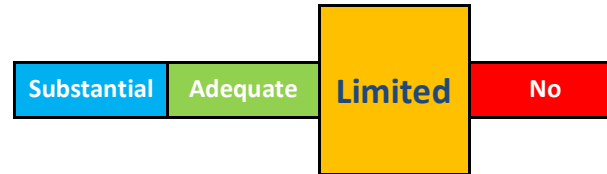
Directorate Sponsor:

Anne Righton

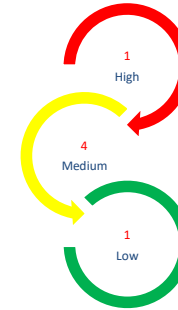
Final Report Issued: 28/01/2022

(Note:- of the 6 actions, 4 have been implemented)

Assurance opinion:



Management Actions:



Areas assessed to be working well/controls are effective.

- A Bin Charging Policy is in place. This Policy clearly sets out a prescribed schedule of charges in respect of standard, composting and recycling bins including food caddies. The policy report was approved by the Executive on 30 March 2021 and Council on 20 April 2021.
- Bin charges are accessible and published on the Council's website and are in accordance with the charges stated in the policy. We confirmed that access to an on-line bin order / payment form is in place. Additionally, Customer Services Officers can respond to a request and take payment over the telephone.
- We verified with officers and figures provided that the current charging policy has put the funding of waste bin stock on a sound financial footing. Margins made on bins purchased and sold range from £10 to £21.50.
- We examined the system for recording bin orders and passing these on to the Contractor for delivery and found a clear audit trail and system in place for prompt delivery. Additionally, up to date records of orders to date are maintained to support-on-going trend analysis by officers.

- Due to prevailing economic pressure arising principally from the COVID-19 Pandemic the Contractor (Biffa) experienced a shortage of HGV drivers which significantly impacted their ability to meet contracted waste collection schedules. The Council and contractor have therefore been working in more of a partnership arrangement going forward to ensure the collection service can offer as good a service as it can. This has meant more collections at weekends and disruption to intended scheduling. As part of this working arrangement, contractor penalties have been suspended and missed bin invoices previously received by Waverley from the contractor have ceased.

Areas where the framework of governance, risk management and control could be improved.

- Schedule 2 (spec 1) of the Waste Contract clearly sets out the detailed responsibilities and controls in respect of bin stock management. In this respect the Contractor is responsible for the management and maintenance of Waverley stock at the Council's Depot and the authorised budget holder within the Council is responsible for the purchase of new stock. We obtained evidence that the Contractor provides Council client officers with a stock count each week to inform purchase decisions. However, they are simply based on a weekly count of stock each week. There are no contemporaneous transaction records held for each line of stock to record items of stock issued/received and balance remaining. This is a control weakness that limits assurances that stock shrinkage can be closely monitored.
- A reconciliation of stock issues and income received is not undertaken to ensure no undue stock shrinkage is occurring.
- A number of disputed invoices were received from the Contractor in 2020/21 in respect of missed bin extra collections required. These disputes arose due to differing interpretations (by the contractor and client) of the provisions for these circumstances set out in the contract. Going forward these provisions require review and possible variation to the contract to ensure clarity for both parties.
- We note that the resulting 'working together approach' appears to be working well with transparency on both sides to ensure service efficiency is maximised and disproportionate admin time spent in resolving smaller issues has ceased. (There have been no invoices received in 2021/22 from the contractor in respect of missed bin 'extra' collections). We have seen evidence of a routine client / contractor meeting where these arrangements are partially evidenced. On a forward looking note this relationship management approach will need close monitoring to ensure that benefits continue to be realised but with the caveat that a balanced 'challenge' from the client continues with a particular eye on overall performance. There would be merit in formalising this partnership

approach in a written 'principles of partnership and relationship management' document which would galvanise current arrangements and provide guidance for any new contract managers.

Management Response / Update:

6. Planning & Resourcing

The internal audit plan for 2021-22 was approved by the Audit Committee on 1st March 2021.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Section 7 details the reviews that have been added/removed/deferred to the original plan approved by the Audit Committee March 2021. Progress against the plan is detailed below in Section 6. This plan will be delivered within the budget allocated as detailed in Section 8 of this report.

7. Rolling Work Programme

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
INFORMATION TECHNOLOGY											
IT Risk Assessment of our current environment (remote working and server capacity etc.) (C)	HOBT	H	3	Q1	✓	✓	✓	✓	✓	Advisory	
APPLICATIONS SYSTEMS IN SERVICE AREAS											
Horizon Planning System (C)	HOP&ED	H	10	Q3-4	✓	✓	✓				

Internal Audit Plan Progress Report – April 2021 – March 2022

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
Data Storage and Back-up (C)	ALL HOS	H	10	Q3-4	✓	✓	✓				
KEY FINANCIAL SYSTEM											
Post Payment Business Grant Compliance (C/F 2020-21) (C)	HOF&P	H	15	Q1	✓	✓	✓	✓	✓	Substantial	
Treasury Management (C)	HOF&P	H	7	Q1	✓	✓	✓	✓	✓	Substantial	
Council Tax Reduction Scheme (IAM)	HOF&P	H	0	Q3-4							Defer to 2022-23
Debt Management (C)	HOF&P	H	10	Q2	✓	✓	✓	✓	✓	Reasonable	
Collection of Fees and Charges (C)	ALL HOS	H	7	Q3-4	✓	✓	✓				
Housing Rent Recovery (C)	HOHO	H	7	Q2-4	✓	✓	✓	✓	✓	Reasonable	
Payroll Transactions	HOP & G	H	5	Q3-4	✓	✓	✓				
SERVICE AREAS											
Property Terrier (IAM)	HOF & P	H	0	Q3-4							Defer to 2022-23

Internal Audit Plan Progress Report – April 2021 – March 2022

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
Gas Servicing of boilers in council homes (IA)	HOHO	M	5	Q2	✓	✓	✓	✓	✓	Substantial	
Repairs Recharges for Void properties to vacating Tenants (C/F 2020-21) (C)	HOHO	M	1	Q3-4	✓	✓					Defer to July 2023
Responsive Repairs (C)	HOHO	M	10	Q1	✓	✓	✓	✓	✓	Reasonable	
Planning Housing Delivery Monitoring Process (CF 2020-21) (C)	HOP&ED	M	12	Q2-3	✓	✓	✓				
Sinking Funds Re Leaseholders (IAM)	HOHO	M	25	Q2-3	✓	✓	✓	✓	✓	Advisory	
Waste Management (Bin stocks and Stores controls and Missed Bin contractual terms) (C)	HOE&RS	M	10	Q3	✓	✓	✓	✓	✓	Limited	
Boiler Replacement (IAM)	HOHO	H	15	Q3	✓	✓	✓	✓	✓	Advisory	
CORPORATE/CROSS CUTTING											

Internal Audit Plan Progress Report – April 2021 – March 2022

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
Health & Safety (C)	HOS ALL	M	7	Q4	✓	✓	✓				
Corporate Criminal Offence (C)	HOS ALL	H	7	Q3-4	✓	✓	✓				
Lone Working Policy (C)	HOS ALL	H	7	Q1	✓	✓	✓	✓	✓	Limited	
Climate Change (Strategic plan, Policy etc.) (C)	HOS ALL	H	5	Q3-4	✓	✓	✓	✓	✓	Substantial	
Freedom of information (IAM)	HOGP	H	20	Q4	✓	✓	✓	✓		Advisory	
Payroll (incident) (IAM)	HOGP	H	17	Q2-3	✓	✓	✓	✓	✓	Advisory	
No of Audit Plan days allocated			215								
Days currently allocated to Southern Internal Audit Partnership			133								
Audit Plan Days currently completed by Internal Audit Manager			82								

8. Adjustments to the Internal Audit Plan

Audit reviews Proposed to be deferred to 2022-23 from the 2021-22 Audit plan	
Council Tax Reduction Scheme	12 Days
Repairs Recharges for Void properties to vacating Tenants	9 Days
Property Terrier	10 Days
Total 31 Days	

Audit reviews added to the 2021-22 Audit plan	
Boiler Replacements (IAM)	15 Days
Sinking Funds (IAM)	25 Days
Payroll Transactional Testing (C)	5 Days
Payroll Incident (IAM)	17 Days
Freedom of Information (IAM)	20 Days
Total 82 Days	

9. Other activities to be resourced from the Audit Service

National Fraud Initiative (NFI) - Internal Audit continues to support the NFI which is a biennial data matching exercise administered by the Cabinet Office. The data collections for the 2021/22 exercise were uploaded to the Cabinet Office. The data matching reports were obtained in January 2021. These are currently being investigated as time permits in conjunction with the assistance of third parties to whom the match relates to assist in resolving anomalies and errors to identify fraudulent activity. Not all matches are investigated but where possible all recommended matches are reviewed by either Internal Audit or the appropriate service area.

10. Budget Expenditure to date

Cost Centre R0202 Internal Audit	Current Approved Budget	Committed/Salaries and NI and Service Costs.	Remaining Balance at 10/03/2022	Estimated Number of Audit Days Planned to be delivered (Incl. IAM)
Total Internal Audit Budget	£153,800	£119,900	£33,900	350 Days

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WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

28 MARCH 2022

Title:

PROPOSED INTERNAL AUDIT PLAN FOR 2022-23

Lead Councillor: Councillor Peter Marriott, Chairman of Audit Committee

Strategic Director: Graeme Clark

Key decision: Yes, affects the whole council.

Access: Public

1. Purpose and summary

- 1.1 The Committee's terms of reference include provision for the Committee to approve the proposed Internal Audit Plan. This report presents the proposed Draft Internal Audit Plan for 2022-23 and the Committee is invited to comment and approve the Audit Plan. The plan has been drawn up by the Internal Audit Manager through completing a risk assessment of the audit universe of the council's activities including consultation with Senior Management Team.
- 1.2 The draft audit plan also contains those reviews that were deferred from 2021-22 audit plan identifiable by the inclusion of (C/F 2021-22).

2. Recommendation

It is recommended that the Audit Committee comments and approves the proposed Draft Internal Audit Plan for 2022-23 as attached in Annexe 1.

3. Reason for the recommendation

In accordance and compliance with the Internal Audit Committees term of reference to approve the Annual Internal Audit Plan.

4. Background

- 4.1 The Internal Audit Plan is required to be prepared, agreed on an annual basis by the Audit Committee as the committee responsible for governance.

5. Relationship to the Corporate Strategy

5.1 A financially sound Waverley, with infrastructure and services fit for the future.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

The provision of the Audit Plan will be delivered utilising the budget as approved by the Council in February 2022 of £172,500, plus the carry forward of the 2021-22 budget to cover the deferred reviews.

6.2 Risk management

In the compilation of the Internal Audit Plan a risk assessment was completed by assessing the contents of the Risk Register and of our audit universe. The contents of this Annexe1 provides the areas for review that management require assurance that systems and controls are operating as intended.

6.3 Legal

There are no direct legal implications, although good governance is strengthened by attending to the matters raise in audit actions.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

There are no direct implications in the report.

7. Consultation and engagement

7.1 Consultation with Senior Management Team Chair and Vice Chair of Audit Committee.

8. Other options considered

8.1 None

9. Governance journey

9.1 Minutes of the meeting will be provided Council.

Annexes:

Annexe 1 – Proposed Internal Audit Plan for 2022-23

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

Name: Gail Beaton
Position: Internal Audit Manager
Telephone: 01483 523260
Email: gail.beaton@waverley.gov.uk

Agreed and signed off by:
Legal Services: 04/03/2022
Head of Finance: 03/03/2022
Strategic Director: date

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Proposed Internal Audit Plan

2022-2023

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Introduction

The role of internal audit is that of 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’ (CIPFA and IIA).

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 and 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 achievements of the organisations objectives.

The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

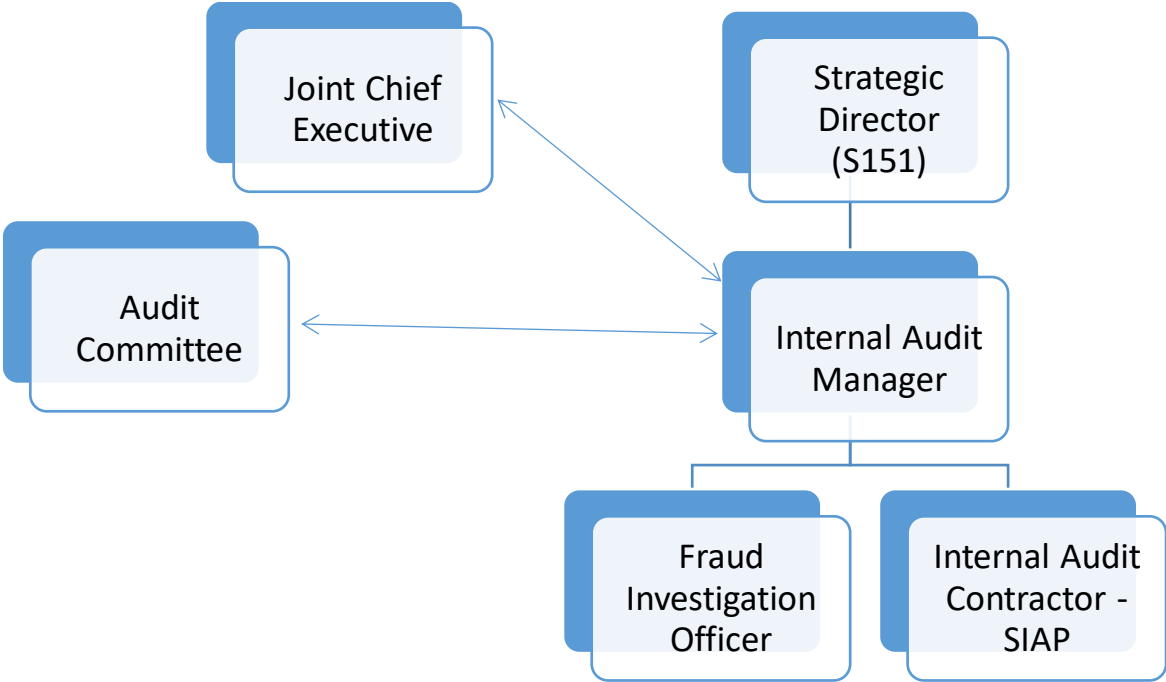
- The framework of internal control, risk management and governance is appropriate and operating effectively; and
- Risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level

The internal audit plan provides the mechanism through which the Chief Audit Executive (Internal Audit Manager at WBC) can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid subject to ongoing review and amendment, in consultation with the relevant Strategic Directors, and Audit sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Internal Audit Manager’s continued contact and liaison with those responsible for the governance of the Council and the Audit Committee as included in the Audit Committees Terms of Reference.

Your Internal Audit Team

Your internal audit service is provided by the in-house team and supported by the external resource of the Southern Internal Audit Partnership (SIAP). The in-house team is led by Gail Beaton, Internal Audit Manager and Jose Ribeiro, Housing Fraud Investigation Officer. The resourcing of the plan will be supported by the services of Southern Internal Audit Partnership (SIAP), setup and supported by Hampshire County Council, led by Neil Pitman, Head of Southern Internal Audit Partnership.



Conformance with internal auditing standards

Under the conformance of the Public Sector Internal Audit Standards (PSIAS) there is a requirement for audit services to have an external quality assessment every 5 years. Our contractors, SIAP, have undergone this assessment, which 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.’

Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

Councils Corporate Strategy 2020-25

As part of the Councils Corporate Strategy our vision is for the council to promote and sustains:

- open, democratic and participative governance
- the value and worth of all residents, with opportunities for all, regardless of race, age, disability, religion, gender or sexual orientation, income or wealth
- high quality public services accessible for all
- a financially sound Waverley, with infrastructure and resilient services to fit for the future
- a strong, resilient local economy, supporting local businesses and employment
- housing to buy and rent, for those at all income levels
- effective strategic planning and development management which supports the planning and infrastructure needs of local

- a sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet
- the health and wellbeing of our communities

Our strategic priorities;

- ✓ Local, open, participative government
- ✓ Supporting a strong, resilient local economy
- ✓ Taking action on Climate Emergency and protecting the environment
- ✓ Good quality housing for all income levels and age groups
- ✓ Effective strategic planning and development management to meet the needs of our communities
- ✓ Improving the health and wellbeing of our residents and communities

The audit service will support the achievement of the vision through the work that will be completed to provide assurance that controls are in place to support and enhance the service outcomes contributing to the corporate vision.

Council Risk

The council have a clear framework and approach to risk management which has involved members and officers working together to determine the authorities risk appetite. The strategic risks assessed by the Council are a key focus of our planning for the year to ensure it meets the organisation's assurance needs and contributes to the achievement of their objectives. We will monitor the strategic risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Developing the Internal Audit Plan 2022-23

The plan has been developed by the Internal Audit Manager, by completing a risk assessment of the councils audit universe (Auditable areas in the Council) and in consultation with Senior Management Team. Reference was also made to the Corporate Strategy and the council Risk Register and risk appetite as part of developing the plan. We have utilised various sources of information and discussed priorities for internal audit plan with the Section 151 Officer (Strategic Director). The audit plan reflects the Council's vision and strategies.

The Council is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation.

Proposed Areas to be covered in the Internal Audit Plan 2022/23

Audit	Risk	Scope
Information Technology		
Assessment of the Cyber Security Protection Measures in place	Reputation/loss of data	Review of cyber security arrangements (including Phishing, Smishing etc.), security controls (including remote access) Cyber Response Plan, Cyber Essentials Scheme
IT Business Continuity Disaster Recovery Planning	Reputation/loss of data	Effectiveness of planning to protect the organisation from the effects of significant negative events, allowing the organisation to maintain or quickly resume mission-critical functions following a disaster.
Applications system in service areas		
Revenues Open Portal	Reputation/loss of data	Assess the access security arrangements and functionality of the portal from a customer experience perspective.
Financial Management		
Creditors	Reputation and financial loss	Assurance that system is operating as intended for the payment of suppliers.
Business Rates (NNDR)	Reputation and financial loss	Assurance that system is operating as intended.

Council Tax Reduction Scheme (B/F 2021-22)	Reputation and financial loss	Review will cover a key area of the process to ensure compliance with requirements in the administration of the scheme in the awarding of reductions for Council Tax accounts.
Main Accounting	Reputation and financial loss	Review of the controls over Journals & Reconciliations (Green Waste and Planning) to Ledger re low code projects.
Refund Process	Reputation and financial loss	Review processes in place to provide assurance on refunds re change to process.
Corporate Systems		
Property Terrier (B/F 2021-22)	Financial/reputation/safety	Completeness and accuracy of records maintained, verify accuracy of any third party databases where reliance is place re stock condition in the valuation of property in WBC ownership.
Repair Recharges for Void properties to vacating tenants (B/F 2021-22)	Reputation/financial loss	Review process in place re tenant awareness of their responsibilities, recharges are accurate and timely and appropriately applied in accordance with the agreed policy.
Mutual Exchanges	Reputational/financial loss	Assess the consistency of process completed in accordance with documented procedures.
Housing Invoice process re Orchard to Agresso	Financial loss	Re authorisation process Job No's on Orchard through to Agresso for Ian Williams new contract as changes have been made to the previous interface that was in place.
Housing Rents – Use and Occupation Accounts	Reputation, Legal and financial loss	Review will cover key controls over the initiating and monitoring of these types of account. Will include Housing Management team and the rents team.

Ground Maintenance	Reputation and financial loss	Management contract terms, including effectiveness of management/performance information and non compliance actions.
Waverley Training Service	Reputation and financial loss	Financial management of the service, locally and supported by Finance
Events and Filming	Reputation and financial loss	Overview of process, including the fees and charges set, collecting of income.
Local Land Charges	Reputation and financial loss	Review the process in the place to achieve the KPI information.
Governance and Cross Cutting reviews		
Anti-social Behaviour	Reputation and financial loss	Review of process re the identification, recording and monitoring of cases including sharing of information with others.
Customer Services Team	Reputation and financial loss	Management information and reports produced to monitor achievements of the corporate service KPI's.
Business Transformation – Project management	Reputation and financial loss	Verification of consistent process being applied and savings achieved clearly documented re assessment of original PID to Outcome/s achieved at close of project.
Asset Management - Information Governance, Data classification, Retention and disposal	Reputation and financial loss	Corporate review to assess the classification and management of data throughout the council.
Risk Management	Reputation and financial loss	We will review the process for identifying, capturing and escalating Strategic and operational risks. We will review the process for managing operational risks, and assess how these interact with the Council's ongoing risk management processes and service plan objectives. For a sample of risks across

		services, we will assess whether they have been scored and managed in line with the Council’s risk management policy and Risk Appetite. We will select a wider sample to assess whether the quality of risk action updates is appropriate, timely, and whether there is evidence to support the implementation of the action relevant to the related Service Plan objectives.
Fraud and Irregularities	Ineffective procedures to detect/mitigate fraud and irregularity or to promote a zero-tolerance culture	To operate in line with best practice <ul style="list-style-type: none"> • Proactive/Reactive • NFI –National exercises incl COVID Grants • SCFP • Fraud Surveys
Audit Management of the service		
Contingency		

Agenda Item 17.

AUDIT COMMITTEE RECURRENT ANNUAL WORK PROGRAMME

Meeting	Item	Action	Responsibility
July 2022	External Audit Findings Report	Note	External audit
	Annual Governance Report	Endorse	External Audit
	External Audit Plan	Note	External Audit
	Certification Report	Note	External Audit
	Internal Audit Charter	Endorse	Internal Audit Manager, Gail Beaton
September 2022	Risk Management (if required)	Approve	Head of Finance and Property, Peter Vickers
	Review Audit Committee's Terms of Reference	Rec to Council, if necessary	Committee Services
	Audit Committee Annual Report	Note	Committee Services
	External Audit Annual Audit Letter	Note	External Audit
	Statement of Accounts	Approve	Head of Finance, Peter Vickers
	Annual Governance Statement	Approve	Head of Finance and Property, Peter Vickers and Head of Policy and Governance, Robin Taylor
	Annual Internal Audit Report (Activity of previous financial year)	Comment and Note	Internal Audit Manager, Gail Beaton
November 2022	Risk Management	Approve	Head of Finance and Property, Peter Vickers
	Annual Governance Statement – Interim Review	Comment and instruct	Head of Finance and Property, Peter Vickers
March 2023	Internal Audit Plan	Approve	Internal Audit Manager, Gail Beaton
	Risk Management (if required)	Approve	Head of Finance, Peter Vickers

Please Note: At every meeting the Committee will receive the following reports:

Review of progress in the implementation of Internal Audit Recommendations [To note and instruct];

Review of the progress in achieving the Audit Plan [To note and instruct]; and

Fraud Investigation Summary [To note].

The Work Programme details regular items, but other items can be submitted to each meeting on an ad hoc basis or at the request of the Committee.

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