

Corporate Governance and Standards Committee Report

Report of Chief Internal Auditor

Author: Joan Poole

Tel: 01483 444854

Email: joan.poole@guildford.gov.uk

Lead Councillor responsible: Michael Illman

Tel: 07742 731535

Email: michael.illman@guildford.gov.uk

Date: 27 July 2017

Summary of Internal Audit Reports - October 2016 – March 2017

Recommendation

The Committee is requested to note the summary of audit reports and other associated work for the period 1 October 2016 to 31 March 2017.

Reason for Recommendation:

To ensure an adequate level of audit coverage.

1. Purpose of Report

- 1.1. To present a summary of audit work for the period 1 October 2016 to 31 March 2017.

2. Strategic Priorities

- 2.1. The audit of Council services supports the priority of providing efficient, cost effective and relevant quality public services that give the community value for money.

3. Background

- 3.1. We have to ensure that the level of audit coverage is sufficient to provide assurance on the overall standard of corporate governance. The section has undergone a fundamental service review over the last year to identify the best service option for the Council's current needs but also looking at the Council's strategic objectives over the next three years and future developments within local government.

4. Summary of Audit Reports – October 2016 to March 2017

4.1. The summaries of the audit reports that we have carried out in the period October 2016 to March 2017 are set out below. Internal Audit uses a scale to categorise the findings and audit opinion under five classifications. These are:

- **No Opinion** – Results of one-off investigations or consultancy work ranging from investigations into potential fraud or misappropriation or other projects such as value for money reviews on which no audit opinion is given.
- **No Assurance** – Fundamental control weaknesses that need immediate action. The area reviewed has significant control weaknesses and/or significant problems were found in the course of the audit.
- **Limited Assurance** – Some assurance that the controls are suitably designed and effective but inconsistently applied and action needs to be taken to ensure risks are managed. The area reviewed has some control weaknesses and there is a risk of loss or problems identified in the course of the audit.
- **Reasonable Assurance** - Assurance that the controls are suitably designed, consistently applied and effective, but we have identified issues that, if not addressed, increase the likelihood of risk materialising in this area. This rating reflects audits where the systems are sound and there are only low level risks.
- **Substantial Assurance** – Assurance that the controls are suitably designed consistently applied and effective. The area reviewed is well controlled and no material problems were found.

4.2. The classifications are included in the reports to managers and have been included here to provide the Committee with an overall conclusion on the findings of the audits. The reports are ranked in order of audit opinion.

5. No Opinion

5.1. There were no reports with “No opinion” in this period.

6. No Assurance

6.1. There were no reports with a “No Assurance” opinion in this period.

7. Limited Assurance

Data Quality

7.1. One of the main areas in the audit plan this year was the focus on governance and the emerging risks and legislation in this area. One of the most significant risks and challenges for us is the requirement to comply with the new General Data Protection Regulation, which comes into force in May 2018. We have had

problems in the past where poor data quality and management has caused problems but the new regulation has raised the risk level for the Council if we fail to comply and could result in:

- 1) Reputational damage
- 2) Resource implications
- 3) The risk of financial loss
- 4) The risk of acting illegally
- 5) The risk of data protection breaches and incurring penalties (potentially up to 20 million euros)
- 6) The risk of legal action from the data subject which could result in a claim for personal damages
- 7) The risk of decisions being made on incorrect data
- 8) The risk of unauthorised and uncontrolled access to data

7.2 The next step for the Council is to assess how this new legislation will impact our services. This new regulation emphasises that it is about making sure that we have organised ourselves properly to deal with privacy and that we have the technical ability to do so. We have a year in which to address any issues within our current processes before GDPR becomes statutory.

7.3 The audit review looked at data quality from both a strategic and service viewpoint. They are both important and interlinked. We firstly need a strategy to give us direction but practically we need to conduct a baseline assessment to identify the status, location, risk, visibility and ownership of essential data. This should be documented in a data map to address governance, risk and compliance issues. It should not be treated as a one-off process because it is an essential milestone in a process of continuous improvement and good information governance.

7.4 The data review should include and challenge the whole data life cycle ranging from where information is stored to who has access and editing rights. The findings from the audit should form part of an information governance framework. It is essential that the right stakeholders are involved in the process and any actions arising from the audit are reported to Corporate Management Team.

7.5 As part of this exercise there should be:

- a comprehensive assessment of file access and usage rights to identify any unauthorised personnel accessing and editing sensitive data.
- a process to automatically rescind access permissions and rights after an employee leaves the organisation or changes roles within the Council
- the creation and evaluation of file access and usage logs, to determine the integrity of information
- a data age assessment to comply with best practice and improve system performance, ensure agility and save money.
- an information profiling exercise to determine the business value of any given piece of information.
- an information map that identifies and gives a context to the overall information universe and assigns a value to all data and to come up with better ways to store, secure, share, archive and restore information.

- 7.6 At a service level, we need to look at Performance Indicators and how we monitor and report performance. There is little value in collecting data that is of no practical use or application so applying general criteria to all services will not work and performance management will fail. There should be business specific business indicators, which are reported monthly to CMT.
- 7.7 Service managers and staff need to understand the importance of proper data management and how it could impact on them individually, their service, or the Council as a whole. The consequences under the new legislation are significant not just financially but also the damage to our reputation and we have to prove that we are taking steps to identify, mitigate and treat the risks.
- 7.8 It was recommended that:
- 1) We have a Data Quality Management Strategy
 - 2) We carry out a mapping review of data that we process including access rights
 - 3) Carry out an information governance review to analyse which data is no longer needed
 - 4) Introduce corporate training on data security
 - 5) We carry out a gap analysis on our current processes against the new requirements of GDPR to identify possible weaknesses
 - 6) There are regular reports to CMT on progress

Audit Opinion – Limited Assurance

Recommendations have been agreed and we will be reviewing progress against the requirements of the new legislation in August 2017

Transparency Agenda

- 7.9 In February 2015, the government issued a revised Local Government Transparency Code. This built on previous codes, the most recent version of which was published in 2014. The Transparency Agenda requires councils to publish the following information, (subject to certain restrictions relating to issues such as commercial confidentiality, data protection, copyright, licences and statutory requirements):
- Expenditure exceeding £500
 - Government Procurement Card Transactions
 - Details of tenders above £5,000
 - Details of contracts above £5,000
 - Local authority land
 - Social housing assets
 - Grants to voluntary, community and social enterprise organisations
 - Organisation chart
 - Trade union facility time
 - Parking account
 - Parking spaces

- Senior salaries
- Constitution
- Pay multiple
- Fraud

7.10 The Code requires that information is:

- **demand led** - requiring an understanding of what data communities want and how it should be published.
- **open** - helpful and accessible presentation and availability and promoted and publicised.
- **timely** - available as soon as possible after production.

7.11 The Code recognises that the method of publication is essential to true transparency and there is a “five step journey to a fully open format”, which includes a star rating:

- One Star - Available on the web (whatever format) but with open license
- Two Star - As for one star plus available as machine-readable structured data (e.g. Excel instead of an image scan of a table)
- Three Star - As for two star plus use a non-proprietary format (e.g. CSV and XML)
- Four Star - All of the above plus use open standards from the World Wide Web Consortium (such as RDF and SPARQL21)
- Five Star - All the above plus links an organisation’s data to others’ data to provide context

7.12 The Government recommends that local authorities publish the appropriate data in Three Star formats and in an open and machine-readable format

7.13 The review compared the Council’s current processes with the government’s requirements. The review found:

- The hit rate on the Transparency web page was not significant which could be due to accessibility issues, lack of interest or knowledge
- The Transparency web page includes information that is not required under the Transparency Code.
- There is some inconsistency in the information provided. For example expenditure, the Council publishes information on all expenditure when it is only required to publish information on spend above £500. However, the Council does not publish redacted information on expense payments to staff, which is a current requirement.
- Some information is out of date. For example, the information on Voluntary Grants is for 2014/15 and the Parking Business Plan is for 2015/16.
- Not all information is published in a format that satisfies the Three Star requirement. Some are published as PDF documents, which means that the information cannot be manipulated or easily analysed.

- There is no single person responsible for the oversight of the Transparency Agenda to ensure that the Code is being complied with or that changes in the requirements of the Code are covered. (This is why, for example, the Council is not publishing information on payment of expenses. The officers responsible for publishing spend information were unaware that this was required by the revised Code published in February 2015.)
- 7.14 The Council's biggest challenge will be to comply with the publication of information in relation to procurement. The Council is required to publish details of the tender for any contract valued at more than £5,000 and the details of any contract awarded valued at more than £5,000. This includes formal contracts and any goods or services purchased through an order. Some information is published, but the review found that it appeared to be limited to a number of building contracts. We need to build the publication of this information into the procurement process to ensure that all qualifying transactions are identified. This is the area that there could be highest risk of a challenge to the Council and is currently under review.
- 7.15 The following recommendations were made:
- The Web Team carries out a review of the Transparency web page in order to reduce the content and increase traffic to the page.
 - The Council considers publicising the information in order to improve public awareness and increase traffic to the page.
 - The Council reviews the content of the web page to ensure that it is up to date.
 - The Council should ensure that where the Transparency information is published in a larger document, it is also published as an extract in the appropriate format to provide accessibility and utility.
 - The Council should publish all information in the appropriate format to achieve the Three Star level required by the Code.
 - The Council should make an officer responsible for the oversight of the Council's response to the Transparency Agenda.
 - There should be a review of the Council's procurement processes to ensure that services are aware of their responsibilities to record tender and contract details.

Audit Opinion – Limited Assurance

Recommendations have been agreed and progress will be reviewed in the second part of the year.

Housing Benefit Overpayments

- 7.16 The objective of the audit was to ensure that adequate controls are in place to ensure that Housing Benefit (HB) overpayments are managed effectively, and monies collected in a timely manner. The specific objectives of the review were to ensure that:
- There are suitable policies and procedures in place surrounding HB overpayments and recovery;
 - HB overpayments identified are dealt with in line with procedures;
 - There is an appeals process in place for Claimants;
 - HB overpayments can be reconciled to the overpayments handed to/ from the Housing department;
 - Overpayments are actively pursued and any write-offs only proposed after all reasonable recovery efforts have been exhausted and subject to formal approval;
 - HB overpayments are reclaimed against re-award of HB to the claimant; and
 - HB overpayments are suitably monitored by Management.
- 7.17 There is a weekly transfer of HB overpayments between the HB section and the Housing Rents team. These can occur when claimants who are Council tenants are no longer eligible for benefits. The Housing Rents team will collect the HB overpayments as part of its rent arrears process. Where tenants have rent arrears and HB overpayment, priority is given to collecting the rent arrears and once this debt has been cleared, the Housing Rents team then chases the HB overpayment.
- 7.18 Where tenants are re-awarded benefits, the associated HB overpayment is transferred back to the HB section, who will deduct an agreed sum from the tenant's weekly entitlement.
- 7.19 The review found some the following areas of good practice
- The Housing Rents team has a 'Former Tenants Arrears' procedure in place.
 - The Area Housing Managers (AHM) perform a weekly check of the HB payments received against the rent accounts. This enables the AHMs to identify HB overpayments transferred from HB section and tenants who have been re-awarded HB entitlement.
 - The AHMs send an email to the Deputy Housing Benefits Manager informing him of the HB overpayments that will be returned to HB section, as the tenant is in receipt of Housing Benefit.
- 7.20 There were however areas for improvement
- There needs to be better administration of former tenant arrears accounts.
 - A management decision needs to be taken on the approach to aged debt.
 - Write offs over £10,000 have not been authorised in line with the requirements of the Council's Constitution.

- Movements of overpayments to and from HB and Rents are not subject to automated reconciliation by either section, as the system cannot generate a specific report.

Audit Opinion - Limited Assurance

The Landlord Services Manager is already reviewing the processes for Former Tenants Arrears and the management of aged debt. Progress will be monitored in 2018-19.

8. Reasonable Assurance

Elections

- 8.1 Since May 2016, we have had three elections and two referendums. These were:
- 1) May 2016: Police and Crime Commissioner for Surrey
 - 2) June 2016: EU Referendum
 - 3) October 2016: Mayoral Referendum
 - 4) May 2017: Surrey County Council Elections
 - 5) June 2017: Parliamentary Election
- 8.2 This level of activity is unusual and has impacted on staff resources but each election places a great strain on resources not only in Electoral Services but also across the Council. The democratic processes can be complicated and need to withstand scrutiny and challenge both from candidates and the Electoral Commission. Audit carried out a substantial piece of work over the last 12 months to improve the governance and accountability of the election process. Following detailed walk through testing, we introduced an end-to-end timeline and check sheet, which can be adapted for all elections. This provides better governance and control over the whole process.
- 8.3 In particular, we have improved the governance and reconciliation of postal votes with the introduction of more robust processes at each stage of what is a complex procedure.
- 8.4 We also visited neighbouring authorities to compare our processes and identify best practice. That gave us assurance that our security over the whole process is sound. The new system was used at the Parliamentary election and worked well but there is still room for improvement and this will be the subject of ongoing work with the Elections team.

Audit Opinion – Reasonable Assurance

The recommendations were implemented during the course of the audit.

Single Person Discount

- 8.5 The overall objective of the audit was to ensure that adequate processes are in place that supports the effective and efficient operation of the Single Persons Discount (SPD). The specific objectives of the review were to ensure that:

- SPD policy and procedures are in place and are regularly reviewed in line with any changes to legislation, local policy and best practice;
- The SPD discount is granted to those who meet the eligibility criteria;
- All relevant paperwork is on file to support the SPD discount granted;
- Third party verification is performed on SPDs;
- An annual review is performed of SPDs granted;
- There is a process in place for collecting overpayments of SPDs;
- SPDs identified through the National Fraud Initiative (NFI) have been followed up; and
- Management receive regular monitoring information on SPDs.

8.6 The Council has approximately 16,000 residents claiming Single Persons Discount (SPD). The projected value of discount granted in 2016/17 amounts to £7.4 million. The Council Tax team is responsible for collecting and managing the Council Tax service. Council Tax is administered through the Civica system, which processes and records Council Tax bills, amendments, payments and discounts. There are no key weaknesses identified during the audit and the review identified the following areas of good practice.

- We use the annual NFI data check exercise to inform the Council of any erroneous or fraudulent SPDs. All anomalies are investigated and outcomes reported to the NFI.
- SPD overpayments are collected via the Council Tax recovery process, which is initiated with an overpayment letter and progresses to Court action.
- The Assistant Council Tax Manager is in the process of compiling an SPD analysis of how Guildford Council compares with other Surrey Councils.

8.7 However, the following improvements were recommended

- **SPD Procedure Notes**

Discussions held with the Assistant Council Tax Manager revealed that there are no SPD procedure/ guidance notes in place. The Council Tax team are fully versed with the SPD criteria and processing of such discounts and staff can ask the manager or other experienced staff for guidance if necessary

- **SPD Award and Review**

The review found that taxpayers do not complete and SPD form. They will normally inform the Council Tax team by phone or email if they are claiming single occupancy status and the discount is applied with immediate effect and a diary note created on the taxpayer's account.

While the NFI data matching exercise acts as an annual review we may want to consider introducing further controls, which could take the form of spot checks during the year which would give added assurance that the SPD's are appropriate.

Audit Opinion - Reasonable Assurance

Vehicle Management

- 8.8 Internal audit undertook a review of Council Vehicle Fuel Management as part of the 2016-17 audit plan. The audit involved a walk through test to ensure the administration for ordering fuel was in accordance with the Council's Financial Procedure Rules.
- 8.9 Over 200 items within the Council's list of vehicles and plant require fuel for operational purposes. The cost to the Council is significant with a spend of approximately £550,000 per year so we need to control and manage this expenditure. Fuel is dispensed from tanks at Woking Road Depot and it is monitored by specialist software. There are also procurement cards for use at Esso stations, which should only be used in emergencies.
- 8.10 We reviewed the controls for dispensing fuel, which is administered through the Cameron Forecourt Fuel System. We also looked at the controls for master key usage and emergency Esso cardholders.
- 8.11 The review covered the following areas:
- 1) Fuel Ordering – controls were in place and working as intended
 - 2) Fuel Delivery – evidence of good control and monitoring of the fuel in the tanks
 - 3) Dispensing Fuel - Two fob keys are required to dispense fuel, a driver fob key (red) and a vehicle fob key (blue). Fob keys are allocated by the Fleet Co-ordinator and recorded on the Cameron Forecourt Fuel System.
 - 4) Emergency Cards – evidence of good control by the Fleet Administrator who monitors usage
 - 5) Stocktake - There is an annual stock take at the end of year, the service accountant, and the Fleet Co-ordinator dip the fuel tanks to reconcile purchases and issues for the year from the opening stock at 1 April and the stock take at the end of March.
 - 6) Security – There are CCTV cameras positioned to cover the petrol pumps all of the time.
 - 7) Management Reporting - The Cameron Forecourt Fuel System is able to provide management reports, but the full functionality is not being used. We are currently looking at a new integrated system.

Audit Opinion - Reasonable Assurance

Crematorium

- 8.12 Internal audit undertook a review of the crematorium as part of the annual audit plan for 2016-17. The review assessed the progress since the last audit and the effectiveness of the system controls. The objectives of the audit were:
- To review the income systems.
 - To review the procedures in place for the collection and banking of income.

- To review the procedures in place for raising invoices and orders.
- To make recommendations for improvements as appropriate.

8.13 The Crematorium generates income of approximately £1.5m per year against direct expenditure of £580,000. The review identified good financial control and only minor issues were raised relating to an outstanding debtors invoice and the roll out of a new automated system for raising invoices.

Audit Opinion - Reasonable Assurance

Taxi Licensing Fees

8.14 Following a series of challenges to the fees set for taxi licensing, internal audit now carry out an annual review of the data upon which the fees are based. This includes verifying the formulae used in the calculation and ensuring that we have included all the relevant costs.

Audit Opinion - Reasonable Assurance

G Live Contract Monitoring

8.15 This review was a follow-up to an audit carried out in 2014-15. There were seven recommendations arising from this and the previous audit. The review found:

- Three recommendations had been fully or partially implemented
- One has been superseded
- Two were still to be implemented (these were low level, low risk recommendations)

8.16 There is one recommendation, which has now been incorporated into the audit plan for 2017-18 relating to an 'Open Book Accounting' review, at various intervals through the life of the contract. This is already being carried out on the Spectrum contract but now we will also be including an annual review of the G Live contract.

Audit Opinion – Reasonable Assurance

9. Substantial Assurance

National Non-Domestic Rates (NNDR) Discounts

9.1 The Council has circa 4,500 business properties and is responsible for collecting NNDR. The Revenues team is responsible for collecting and managing the NNDR service for the Council. NNDR is administered through Civica which processes and records NNDR bills, amendments, reliefs and payments. The overall objective of the audit was to ensure that adequate control processes are in place over the operation of NNDR reliefs. The specific objectives of the review were to ensure that:

- There are processes in place to ensure compliance with established policies, procedures, laws and regulations;

- Reductions are granted only after checks are made against eligibility criteria;
- Reductions are credited to the correct accounts in a timely manner;
- Adequate segregation of duties is in place between administration and collection duties;
- Management information produced is timely, appropriate and adequate; and
- Personal data is processed in a secure and controlled manner in line with internal policy and legislation.

9.2 There were no weaknesses found during the audit and the following areas of good practice were identified:

- Adequate segregation of duties exists between staff who process NNDR and staff who process the NNDR payments.
- Testing of a sample of Small Business Rates Relief (SBBR), Charitable Relief, Discretionary Relief, Unoccupied and Partly Unoccupied relief identified that all reliefs had been awarded in line with criteria.
- Management do not receive any monitoring information pertaining to NNDR Reliefs however, the Interim Exchequer Services Manager maintains a Rates Retention Monitoring spreadsheet which is emailed to Corporate Finance and the Director of Resources and contains information on NNDR Reliefs.
- The Revenues section monitors on a monthly basis the NNDR collection rate. As at February 2017 the collection rate stood at 96.1% - the year-end target is 99%.

Audit Opinion – Substantial Assurance

Land Charges

9.3 A local land charge is a restriction on a piece of land or property that can limit its use or bind the owner to a payment of a sum of money. Charges can include planning decisions; road agreements; tree preservation orders; conservation areas and listed buildings notices; environmental health notices and charges or objections made against previous owners. The objectives of the audit were to ensure:

- Compliance with the Land Charges Act 1975 and the latest rulings regarding the VAT charge for CON29R and CON290 under the Environmental Information Regulations.
- Compliance with the Court of Justice of the European Union regarding the implications for charges for property searches.
- that the register maintained by the Land Charges Section is up to date and current.
- Income received is banked promptly and the register is updated accordingly.
- Regular reconciliations are carried out between income collected and the accounting records in the General Ledger.
- Budget monitoring is effective and carried out on a regular basis.
- The fees are calculated to reflect a break-even service.

- 9.5 The review found that the controls in place were sound and working as intended. Guildford's turnaround performance of 3-5 days has greatly improved over the last three years and compares favourably with other Surrey districts.

Audit Opinion – Substantial Assurance

10 Governance, Corporate and Projects

Ombudsman

- 10.1 It is difficult to plan for Local Government Ombudsman (LGO) complaints or know how much audit will be involved. Some complaints are more complex than others and we work with the services prior to making a response to the LGO. While it may not be traditional audit work and in some cases they can be time consuming and can result in a mini audit. They are, however, a valuable insight into areas of emerging risk which we then build into the audit plan. Our performance is subject to an annual review by the LGO and their report is due in the next few weeks and will be reported to the 21 September meeting of this Committee.

Tenancy Fraud

- 10.2 As part of our focus on fraud, we have been working with services on the emerging risk of tenancy fraud. The pressure and cost of housing in the area has increased the risk of tenancy fraud within our social housing sector. Earlier in the year, we carried out a review to assess the controls that the Council has in place to prevent and deter tenancy fraud. The preliminary findings of the review found that although staff do carry out some checks, they are not consistently applied and could be more robust.
- 10.3 Since then we have worked with Neighbourhood and Housing Management Services to improve the level of controls. Progress has been made and a Tenancy Fraud policy is currently being drafted. In addition, the Landlord Services Manager has identified a range of data that the Council already holds which could be indicators of possible fraud and which are not currently being used.
- 10.4 As part of these reviews, internal audit met with the Local Partnership Manager from the Home Office. Central government are building links with local audit teams to help us to detect fraudulent documentation and activity. This is part of an ongoing initiative under which they are willing to give the Council access to data and specialist training. The services that we have identified that would benefit from training are:
- Housing Advice
 - Housing Rents
 - Taxi Licensing
 - Recruitment (including agency staff)
 - Customer Service Centre staff

Risk Management

- 10.5 We have updated the corporate risk register to take account of new structures and emerging risks. The service risk registers will form part of the new service plans, which are being rolled out across the Council and will be aligned to the corporate risks. There is also a new Draft Risk Management Strategy, which is the subject of a separate report on this agenda.

Service Planning

- 10.6 Service Plans are an important part of our management control environment. We have had a service planning process for several years, which has developed over time and, as a result, service plans are not being produced or used in a consistent way across the Council.
- 10.7 Following a review of our service planning process, the Corporate Management Team has agreed that we will continue to have Service Plans but that the procedure should be simplified. The new Service Plans will consist of two main documents. First, there will be a document with summary information about the service and its significant projects and activities looking ahead over the next three financial years. Second, there will be a simple spreadsheet showing each of these projects/activities, which will be used in one to ones and at CMT to monitor the progress against targets.
- 10.8 The new service plans are currently being rolled out to all services for inclusion in the 2018-19 financial planning process as well as being useful tools to monitor and manage significant projects and activities. Service Plans also provide an opportunity to engage with colleagues, councillors and customers to improve their understanding of the scale and objectives of each service.

Point of Sale

- 10.9 This is an ongoing piece of work to identify all income streams and to take payment at point of sale. This should reduce back office administration and result in efficiency savings.

11 Service Reviews

- 11.1 Over the last year, Internal Audit has worked with managers on lean reviews, some as stand-alone projects and some as part of their fundamental reviews. Although this is not traditional audit work, many of the business process re-engineering disciplines involved are closely related to audit systems analysis. This has the benefit of helping managers make efficiency savings but it also increases our understanding of the services and the business risks.

Parks and Open Spaces

- 11.2 During the last half of 2016-17, we started work on a review of Parks and Countryside services. The scope of the review includes the current working model,

whether there are synergies or duplication with other Council services, and whether there is scope for different service delivery models. This review is ongoing and the outcome will be reported to a future meeting of this Committee.

Operational Services

- 11.3 We carried out a lean review of the administration team at Woking Road Depot. The work involved analysis of tasks, identifying more efficient and effective processes, highlighting duplication and double handling and making recommendations for improvement and efficiency savings. The review resulted in a re-structure, which has produced significant year-on-year savings. This review is now continuing and there is a project to introduce new software, which will automate processes and deliver further savings.

Heritage Services

- 11.4 We have been working with Heritage Services (Museum, Guildford House and Guildhall) on a Lean Review. This looks at all the business processes, structures and synergies to deliver a more streamlined efficient and effective service. This is ongoing and will include not only heritage services but will also include economic development and the Tourist Information Centre.

Customer Service Centre

- 11.5 We have carried out a review of our Customer Service Centre and identified possible different service delivery models for the future. This will be subject of further work in 2017-18.

12. Financial Implications

- 12.1 There are no financial implications.

13. Legal Implications

- 13.1 The Local Government Act 1972 (S151) requires that a local council “shall make arrangements for the proper administration of their financial affairs”.
- 13.2 The 1972 Act is supported by the Accounts and Audit Regulations 2011, which state, “*A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control*”.
- 13.3 The internal audit plan is necessary to satisfy these legal obligations.

14. Human Resources

- 14.1 There are no Human Resource issues.

15. Conclusion

- 15.1 The second half of the year has been challenging. There were some staffing issues which we covered by increased use of a contractor. The audit focus is changing as the Council is seeking to become more entrepreneurial and the challenge for the team is to balance the requirement for robust governance and control and helping to deliver the Council's ambitious change agenda.

16. Background Papers

None

17. Appendices

None