

Swindon Borough Council

Audit Committee

Tuesday, 4 April 2017

Committee Room 6, Civic Offices

At 6.00 p.m.

Conservative Councillors

Steve Weisinger
(Chair)
Nick Martin
Malcolm Davies
Mary Friend

Labour Councillors

Kevin Small
Chris Watts
Des Moffatt

Committee Officer: Steve Jones (01793 463602)

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Swindon Borough Council, Civic Offices, Euclid Street, Swindon, SN1 2JH
(Telephone 01793 445500)

Access Arrangements - The venue is wheelchair accessible and an infrared receiver hearing system is provided. If you have any special requirements to enable you to attend the meeting or would like to receive any of the pages contained in this agenda in a larger print size, please contact the Committee Officer as soon as possible prior to the date of the meeting.

AGENDA

1. Apologies for Absence

2. Declarations of Interest

Members are requested at the start of the meeting to declare any known interests in any matter to be considered, and are reminded that any such interest should also be declared at the start of an item or during any discussion of the matter concerned.

3. Public Question Time

See explanatory note below. Please phone the Committee Officer whose name and number appears at the top of this agenda if you need further guidance).

4. Minutes (Pages 5 - 8)

To receive the minutes of the meeting held on 21 February 2017.

5. Oversight of Council Subsidiaries and Partner Bodies DLDS (Pages 9 - 14)

6. Internal Audit report - Domestic Abuse Strategy HIA (Pages 15 - 58)

7. **Internal Audit report - Transformation Programme** HIA (Pages 59 - 94)
8. **Internal Audit Plan: 2017/18** HIA (Pages 95 - 120)
9. **Informing External Audit's Risk Assessment** HIA (Pages 121 - 142)
10. **External Audit** (Pages 143 - 180)
 - 1) The Audit Plan for Swindon Borough Council
 - 2) Progress and Update
11. **Head of Internal Audit Update** HIA (Pages 181 - 190)

Date of Despatch: 27th March 2016

Key:

Officers:

DLDS - Director of Law and Democratic Services (Monitoring Officer)
 HIA - Head of Internal Audit

Public Question Time - Swindon Borough Council remains committed to increasing its accountability to the public and to promoting active citizenship. 15 minutes will be allowed at the start of all Council meetings for questions to the Chair from the public about the work of the Committee (except for confidential matters, and matters relating to planning and licensing applications). We will give priority to those who submit questions in writing at least two days before the meeting. Questions must be relevant, clear, and concise. You may not use Public Question Time as an opportunity to make speeches or statements.

Questions in writing should be sent to the Committee Officer whose contact details appear on the agenda above or to the Director of Law and Democratic Services, we will publish it, along with the answer, alongside the Minutes. The process associated with asking a public question is set out in the "Public Question Time at Council Meetings Protocol and Guidance" available on the Council's Website.

(<http://ww5.swindon.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13338&path=0>) or from the Committee Officer named above.

The Audit Committee - Terms of Reference

(the complete terms of reference and programme of activity for the Audit Committee are set out in Minute 10 of the meeting of the Audit Sub-Committee held on 16 June 2015)

- Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- In relation to the authority's internal audit functions:
 - Oversee its independence, objectivity, performance and professionalism
 - Support the effectiveness of the internal audit process
 - Promote the effective use of internal audit within the assurance framework
- Consider the effectiveness of the control environment, including arrangements

for ensuring value for money and for managing the authority's exposure to the risk of fraud and corruption.

- Consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control.
- Support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process.
- Review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
- Reviewing and monitoring treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.

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AUDIT COMMITTEE

TUESDAY, 21 FEBRUARY 2017

PRESENT:- Councillors Steve Weisinger (Chair), Malcolm Davies, Nick Martin, Des Moffatt, Kevin Small and Chris Watts

Apologies for absence were received from Councillors .

35. Declarations of Interest

The Chair reminded members of the need to declare known interests in any matters to be considered at the meeting. No declarations were made.

36. Public Question Time

There were no public questions.

37. Minutes

Resolved - That the minutes of the meeting held on 15th November, 2016, be confirmed and signed.

38. Annual Statement of Accounts Update 2016/17

The Committee received a report of the Interim Corporate Director Resources, providing an update on the progress towards the completion of the 2016/17 Statement of Accounts and summarising future changes to statutory requirements affecting the production of the accounts from the 2017/18 Financial Year, including changes to statutory deadlines, requiring faster closing, the implementation of the Highways Network Asset and consequent changes to Accounting Policies, and other changes affecting the accounts.

Resolved – (1) That the report be noted.

(2) That the accounting policies for 2016/17 and proposed amendments for 2017/18, set out in the report, be confirmed.

39. Treasury Strategy Statement 2017/18

The Committee received a report on the Council's Treasury Management Strategy for 2017/18, including Prudential Indicators up to 2019/20, the Annual Investment Strategy, and the Minimum Revenue Provision Policy Statement.

Resolved – That Cabinet's decision at its meeting on 8th February, that the Treasury Management Strategy, Minimum Revenue Provision Policy and Prudential Indicators, as set out in Appendix 1 to the report, be recommended for approval by Full Council on 23rd February 2017, be endorsed.

40. Internal Audit report - Contract management of the delivery of the Housing capital programme

In accordance with its established practice of considering at least one individual audit report at each meeting, the Committee received a report on the outcome and key findings of the Internal Audit Review of the contract management arrangements regarding the delivery of the Housing capital programme, which initial report, finalised in October 2016, had identified significant risk. It was noted that Internal Audit has since carried out a follow-up review to establish progress in implementing agreed recommendations and the report presented to members the up-to-date position regarding the service.

The Committee was advised that the target date for the implementation of a number of the recommendations had yet to be reached but that the follow-up review had identified that the critical recommendation of ensuring that all contracts complied with the Council's Contract Standing orders had been implemented. The review had also established that substantial progress had been made in implementing a number of the initial review's recommendations. The audit opinion had therefore improved from 'significant risk' to 'of concern'.

The Council's Head of Property Maintenance and the Capital and External Contracts Manager were in attendance to provide a current position statement in relation to the implementation of the internal audit recommendations and also responded to members' questions on issues raised regarding identified risk areas, the management response to the audit conclusions and key recommendations, and progress in implementing the action plan.

Resolved – (1) That the report, and the initial management response to the audit review recommendations, be noted.

(2) That the positive response to the audit recommendations be welcomed and that, to ensure continued progress, a further audit review be carried out before November 2017 and the outcomes of that audit be reported to the Committee for consideration.

41. Internal Audit report - Stores and Equipment Management

In accordance with its established practice of considering at least one individual audit report at each meeting, the Committee received a report on the outcome and key findings of the Internal Audit Review of Stores and Equipment Management. It was noted that the initial report, presented to the June 2016 meeting of the Audit Committee, had an audit opinion regarding internal controls that significant improvements were required resulting in an overall opinion of 'Of Concern'. A follow-up review had been carried out by Internal Audit to establish progress in implementing agreed recommendations and the report presented to members the up-to-date position regarding the service. It was noted that, of the eighteen recommendations made in the previous audit, fourteen of these had either been implemented or were in the process of being implemented.

The Head of Internal Audit introduced the report, providing a current position statement in relation to the implementation of the internal audit recommendations and also responded to members' questions on issues raised regarding identified risk areas, the management response to the audit conclusions and key recommendations, and progress in implementing the action plan.

Resolved – That the report, and the management response to the audit review recommendations, be noted.

42. External Audit Report

Chris Hackett (Grant Thornton) presented a report advising the Committee of the External Auditors' progress, as at 21st February 2017, in respect of the delivery of their audit responsibilities. The report also included a summary of key emerging national issues and developments that might be of interest to the Committee.

Resolved – That the report and supporting papers be noted.

43. Head of Internal Audit Update

The Committee received a report of the Head of Internal Audit summarising the main issues arising from the Internal Audit reports finalised since the last Audit Committee meeting in November 2016, progress made against the Annual Internal Audit Plan 2016/17 and Internal Audit staffing and resource issues.

Resolved – (1) That the report be noted
(2) That, in accordance with its established practice of considering at least one individual audit report at each meeting, the Transformation Programme and Domestic Abuse Strategy audit reports be submitted to the next meeting.

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Oversight of Council Subsidiaries and Partner Bodies

Audit Committee

Date: 4th April 2017

Author:	Director of Law and Democratic Services
Wards:	None
Locality Affected:	None
Parishes Affected:	None

1. Purpose and Reasons

- 1.1 There are a number of companies in which the Borough Council has an interest and the purpose of this report is to summarise the current position and recommend that a Cabinet Member Advisory Group be established in order to consider how the Council's role as shareholder can best be exercised.

2. Recommendations

- 2.1 It is recommended that
- 2.1.1 the report be noted,
 - 2.1.2 the Leader of the Council or his nominee establish a Shareholder Panel to provide oversight of council owned companies,
 - 2.1.3 the Panel initially operates as a Cabinet Member Advisory Group to the Leader of the Council, or his nominee, and
 - 2.1.4 the Director of Law and Democratic Services reviews the position and reports back to a future Audit Committee on how the Panel is operating and providing the necessary challenge, and whether a more formal governance structure is required to be put in place.

3. Detail

Background

- 3.1 Current arrangements vary in relation to Council-owned companies. So far as 2016/17 is concerned, Councillors were appointed as non-executive directors to the main subsidiary companies, Thamesdown Transport Limited and Public Power Solutions. There are also shareholder panels. These arrangements provide oversight in specific areas. Overall, however, the Council has taken the view that one size does not fit all.
- 3.2 Although there is specific oversight in relation to each Council-owned company, there is no overall oversight to ensure that risks are minimised and services are delivered as intended, and there has been no overall summary record of how individual partner arrangements are managed.

Further information on the subject of this report can be obtained from Stephen Taylor, Direct Dial Telephone Number: 01793 463012, staylor@swindon.gov.uk.

Oversight of Council Subsidiaries and Partner Bodies

Audit Committee

Date: 4th April 2017

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- 3.3 Nevertheless, the Council's external auditors have concluded overall that the risk has been sufficiently mitigated and the Council has proper arrangements for working effectively with third parties to deliver strategic priorities, managing risks effectively and maintaining a sound system of internal control and the criteria of informed decision-making.
- 3.4 They do comment, however, that there is scope to further improve arrangements and have recommended specifically that an annual report should be issued to either the Audit Committee or the Standards Committee and that such a report should identify all significant partnerships covering:
- the risks associated with the arrangements eg both in terms of governance, financial risks and reputational risks,
 - the mitigations to address the risks including the governance arrangements, methods of challenging partners, and
 - the outcome of the work done in the previous 12 months.

Council Owned Companies – 2016/17

- 3.5 There are an increasing number of council-owned companies. During 2016/17, the following such companies have been in operation:
- Thamesdown Transport Limited
 - Forward Swindon Limited
 - Public Power Solutions Limited
 - Swindon Common Farm Solar Community Interest PLC
 - Chapel Farm Solar Limited
- 3.6 The governance arrangements in place for those companies have varied according to the specific circumstances of each company, which has allowed a certain degree of flexibility.

Thamesdown Transport

- 3.7 Thamesdown Transport Limited was a private limited company (the Company) formed in 1986 under the Transport Act 1985 to take over the bus operations of the former Thamesdown Borough Council (now Swindon Borough Council). The Company was 100% owned by the Council.
- 3.8 So far as the board membership was concerned, there were 7 non-executive directors, 4 of which were councillors although in February 2016, Mr Mike Bawden was appointed to one of the positions previously allocated to councillors (Special Committee Minute 20, 2015/16 refers) and subsequently chaired the Board. Two

Oversight of Council Subsidiaries and Partner Bodies

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of the other non-executive Director places on the Board were for Unite and Unison Employee Directors. In addition, there were 3 Executive Directors.

- 3.9 There was a formal Shareholder Agreement, which set out the relationship between the Council and the Company. The Council had a shareholder panel, which operated as a Cabinet Member Advisory Group chaired by the Leader. It met one or two times a year with the Chair and Executive Directors of the Company in order to discuss the matters set out in the Shareholder Agreement (budget and business plan). The Cabinet Member whose portfolio included Transport was not on the Board or the Shareholder Panel to avoid any perception of conflict of interest due to that portfolio including the commissioning role.
- 3.10 The Company was sold in February 2017 following consideration by the Shareholder Panel as to future options for the company (Cabinet Minute 81, 2016/17 refers). Following the disposal, five subsidiary companies (Swindon Transport Limited, Thamesdown Coaches Limited, Swindon Citybus Limited, Swindon Coaches Limited and PIA (Swindon) Limited) which were wholly owned by Thamesdown Transport Limited were identified as remaining in existence and these are not trading and have been transferred to the Council's ownership.

Forward Swindon Limited

- 3.11 The Company is wholly owned by the Council. It was formed on 17th March 2010 (Cabinet Minute 110, 2009/2010 refers) in order to improve the economic, social and environmental well-being of the area and residents of Swindon; assist in job creation, facilitate tourism and related cultural activities and to deliver physical regeneration; forward fund and deliver masterplans, and viability studies in order to bring forward major projects and development sites; and attract funds and investments to Swindon. The company is 100% owned by the Council.
- 3.12 So far as the current board membership is concerned, there is an independent chair and there are 6 non-executive directors including one council officer.
- 3.13 So far as shareholder accountability is concerned, a Shareholder Commissioning Board was established to agree FSL's annual budget and business plan. It is a cross-party panel of 5 councillors. At its meeting in June 2013, Cabinet agreed to authorise the Cabinet Member for Economy and Regeneration, in consultation with the Shareholder Commissioning Board, to approve on behalf of the Council matters requiring shareholder consent and that such decisions would be done via the Cabinet Member Decision Note process in order to provide accountability and transparency (Cabinet Minute 15, 2013/14 refers).

Public Power Solutions Limited

- 3.14 The company is wholly owned by the Council and was formed following the in-sourcing of SCS when it was decided to retain an arms-length company, wholly owned by the Council, to pursue solar projects on behalf of the public sector.

Further information on the subject of this report can be obtained from Stephen Taylor, Direct Dial Telephone Number: 01793 463012, staylor@swindon.gov.uk.

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Date: 4th April 2017

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- 3.15 There is an independent chair together with 3 non-executive directors who are all councillors and cross party. In addition, there is one Executive Managing Director who is also a council officer. There is no shareholder panel and any issues referred by the company to the council as shareholder are dealt with by Cabinet. The s151 Officer and the Monitoring Officer attend board meetings in an observer capacity in order to ensure proper liaison between the company and the Council as shareholder.

Swindon Common Farm Solar Community Interest PLC

- 3.16 Special Committee on 15th February 2016 agreed to establish a Community Interest Company (CIC) as an investment vehicle for community ownership of solar power production facilities and to facilitate future community investment opportunities involving Swindon's assets. The Council is the sole shareholder. Initially, 3 council officers were appointed as directors. Subsequently, 3 councillors were appointed as directors at the Annual Council meeting in May 2016 (Council Minute 12, 2016/17 refers).
- 3.17 The company has sold debentures to the public to fund solar power production in return for a return on their investment over 25 years. The profits of the company will be apportioned by way of 65% distribution for community benefit and 35% to the Council as sole shareholder.
- 3.18 In addition, a Grid sharing company, EP Swindon Solar Limited, has been formed which is partly owned by Common Farm Solar PLC. The Common Farm Company will appoint one of the two directors on the board and it is anticipated that a councillor will be appointed to that post.

Chapel Farm Solar Limited

- 3.19 This company was bought by the Council from Public Power Solutions Limited in November 2016. The Council is sole shareholder. Three council officers have been appointed as directors of the company. A shareholder panel made up of councillors is in the process of being formed.

Future companies

- 3.20 A number of other companies are authorised to be formed to progress specific issues such as a Wichelstowe Joint Venture Company, and a housing development company and their operation will be closely monitored and reviewed.

Shareholder Oversight

- 3.21 As stated earlier, each company has had its own shareholder accountability arrangements. These allow the Council as shareholder to challenge those companies and address governance, financial risks and reputational risks, together with mitigations necessary to address the risks. As an example, the

Oversight of Council Subsidiaries and Partner Bodies

Audit Committee

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shareholder panel for Thamesdown Transport Limited addressed precisely those risks which resulted in a sale of the company, and the Public Power Solutions Board have made various recommendations to the Council which Cabinet then addressed.

- 3.22 In order to ensure there is a corporate overview, however, it is suggested that the Leader of the Council, or his nominee, establishes a Shareholder Panel to provide oversight of council owned companies and that the Panel initially operates as a Cabinet Member Advisory Group to the Leader of the Council, or his nominee, so there can be proper accountability to the Council.
- 3.23 The Director of Law and Democratic Services should be requested to review the operation of the Panel and report back to a future Audit Committee on whether the Panel is providing the necessary challenge, and whether a more formal governance structure is required to be put in place.
- 3.24 It may be that, ultimately, depending on the number of companies that are established, there may need to be a formal cabinet sub-committee to fulfil that function but this may be introducing unnecessary bureaucracy if this is done at this stage.

4. Alternative Options

- 4.1 An alternative option to the suggested way forward has been outlined in the report.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no direct financial implications arising from this report other than as referred to in the report.

Legal and Human Rights Implications

- 5.2 There are no specific legal or human rights implications arising from this report. It is considered that the recommendations are compatible with Convention Rights.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 None have been identified.

Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment has not been done on the grounds that this report does not make any recommendations that might affect service delivery.

Further information on the subject of this report can be obtained from Stephen Taylor, Direct Dial Telephone Number: 01793 463012, staylor@swindon.gov.uk.

Oversight of Council Subsidiaries and Partner Bodies

Audit Committee

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Risk Management

5.5 Risk management issues are as referred to in the report.

6. Consultees

6.1 The Head of Finance (s151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

7.1 None

8. Appendices

8.1 None

Internal Audit report – Domestic Abuse Strategy

Audit Committee

Date: 4th April 2017

Author: Head of Internal Audit
Wards: None
Locality Affected: None
Parishes Affected: None

1. Purpose and Reasons

- 1.1 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating effectively.
- 1.2 Members requested that at least one individual audit report be presented to each meeting of the Committee. Audit Committee selected the Internal Audit report on the Domestic Abuse Strategy that identified an 'of concern' level of risk to be presented to their April meeting.

2. Recommendations

- 2.1 It is recommended that the contents of the report be noted.

3. Detail

Background

- 3.1 The Swindon and Wiltshire Strategy to Reduce Domestic Abuse (2015-17) makes clear that domestic abuse is a complex and challenging issue; it is a largely hidden and under-reported crime, as well as a social and public health issue, cutting across all geographic and cultural groups and having a long lasting and devastating impact on those living with its effects.
- 3.2 Reducing domestic abuse is a key priority of the Swindon and Wiltshire Community Safety Partnerships (made up of statutory partners in Swindon and Wiltshire, including Police, Fire and Rescue Service, Local Authorities, NHS and Probation Services), who have responsibilities for reducing crime and disorder across the County. A Local Authority also has statutory responsibilities for reducing crime and safeguarding adults and children at risk of harm and therefore must play a central role in facilitating local partnerships, providing services and raising awareness of domestic abuse across the Borough.
- 3.3 Reducing domestic abuse contributes to two of the Council's Corporate Priorities: ensure clean and safe streets and improve our public spaces; and, help people to help themselves while always protecting our most vulnerable children and adults.

Further information on the subject of this report can be obtained from Nick Hobbs, Direct Dial Telephone Number: 01793 463940, nhobbs@swindon.gov.uk.

Internal Audit report – Domestic Abuse Strategy

Audit Committee

Date: 4th April 2017

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- 3.4 The priority of this audit was to review the Swindon and Wiltshire Strategy to Reduce Domestic Abuse (and its supporting framework), to provide assurance to the Head of Housing and Community Safety regarding its robustness and effectiveness in reducing the prevalence of domestic abuse in Swindon.
- 3.5 The Head of Housing Services requested that the audit be included in the 2016/17 audit plan.

Key findings

- 3.6 The key findings of the Internal Audit review were:
- The Strategy to Reduce Domestic Abuse is in place and covers key areas regarding domestic abuse.
 - Key stakeholders of Swindon's Community Safety Partnership (CSP) from within the Council were spoken with during the audit (see Appendix B) and they were satisfied that there is cross agency commitment to tackling domestic abuse in Swindon.
 - However, the available resources in which to deliver on the Strategy across the partnership are limited and there is a requirement to better define the priorities for tackling domestic abuse to ensure the Strategy is achievable.
 - There is also a need to better define the intended outcomes of domestic abuse work and establish a performance framework that is capable of measuring the effectiveness of the Strategy, to inform continuing priorities going forward.

Key recommendations

- 3.7 Key recommendations made as a result of the review are as follows:
- A more pragmatic approach to action planning is needed, with the Strategy clear as to what the key areas of focus are for tackling domestic abuse. In particular the action plan should be reviewed in the context of providing clarity around objectives of actions, resources required, outcomes expected, priorities for actions, realistic timescales, appropriate Lead Officers across the Council and partner agencies and a clear review of actions at the appropriate Domestic Abuse sub-group.
 - A performance framework for measuring the success of the Strategy should be established, which defines the strategic outcomes, performance targets and indicators of success to be measured going forward (see an example from Essex at Appendix D).
 - The Swindon Community Safety Partnership, or appropriate Domestic Abuse sub-group, should identify the data needs regarding domestic abuse, to better monitor performance. This data should be used to continually inform the basis of the Strategy and priorities in the action plan (see Appendix E for potential sources of information).

Further information on the subject of this report can be obtained from Nick Hobbs, Direct Dial Telephone Number: 01793 463940, nhobbs@swindon.gov.uk.

Internal Audit report – Domestic Abuse Strategy

Audit Committee

Date: 4th April 2017

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- Clearer ownership and commitment from partner agencies is necessary to ensure responsibilities for resources and actions are clearly defined, to reduce over reliance on the Domestic Violence Co-ordinator and ensure an ongoing and sustainable commitment to reducing domestic abuse.
 - The Community Safety Partnership or 'Domestic Abuse and Violence against Women and Girls (VAWG) Strategic Board' should define their expectations of the quality assurance function of the Domestic Abuse and VAWG Management and Quality Assurance Group. Clear objectives and, where necessary, methodology for undertaking quality assurance should also be discussed and decided upon.
 - The Operating Protocol for Multi-Agency Risk Assessment Conferences should be reviewed and updated to ensure agencies are aware of the process and to ensure the effectiveness and efficiency of meetings. ('Multi-Agency Risk Assessment Conferences' are a multi-agency meeting for reviewing and responding to high risk domestic abuse cases).
- 3.8 The report was finalised in December 2016 and is attached as Appendix 1. An update on the implementation of recommendations has been provided by the Head of Housing Services. Additional audit testing has not been carried out since the original review.
- 3.9 The Head of Housing Services will be at Audit Committee to answer any questions that Members may have.
- 4. Alternative Options**
- 4.1 Not Applicable
- 5. Implications, Diversity Impact Assessment and Risk Management**
- Financial and Procurement Implications
- 5.1 There are no direct financial implications arising from this report however the detailed audit report addresses the suitability of internal controls within the systems examined
- Legal and Human Rights Implications
- 5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2015. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.
- All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)
- 5.3 None
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Further information on the subject of this report can be obtained from Nick Hobbs, Direct Dial Telephone Number: 01793 463940, nhobbs@swindon.gov.uk.

Internal Audit report – Domestic Abuse Strategy

Audit Committee

Date: 4th April 2017

Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 Effective systems of internal control within the Council will help to ensure that the Council's corporate objectives and those set out in One Swindon are achieved.

Diversity Impact Assessment

- 5.5 Not Applicable

Risk Management

- 5.6 Not applicable

6. Consultees

- 6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1 – Internal Audit report: *Domestic Abuse Strategy* (December 2016)
- 8.2 Appendix 2 – Management update provided regarding implementation of recommendations (March 2017)

Swindon Internal Audit Services



Swindon Internal Audit Services: Domestic Abuse Strategy

Contents and Distribution

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F - Glossary of Terms	
G - Overview of Partner Agencies Contributing to the Domestic Abuse Strategy and Community Safety Partnership	

Report Distribution – Final Report issued on 22nd December 2016 to:

Mike Ash	Head of Housing Management and Community Safety
Steven Kensington	Community Safety Team Leader
Lin Williams	Domestic Violence Co-ordinator
Councillor Oliver Donachie	Cabinet Member for Housing and Homelessness; Chair of the Community Safety Partnership
Bernie Brannan	Corporate Director Communities and Place
Adrian Arnold	Head of Finance, Delivery

Auditor:

Alex Povey Senior Auditor

Swindon Internal Audit Services: Domestic Abuse Strategy

Executive Summary

Background

The Swindon and Wiltshire Strategy to Reduce Domestic Abuse (2015-17) makes clear that domestic abuse is a complex and challenging issue; it is a largely hidden and under-reported crime, as well as a social and public health issue, cutting across all geographic and cultural groups and having a long lasting and devastating impact on those living with its effects.

Reducing domestic abuse is a key priority of the Swindon and Wiltshire Community Safety Partnerships (made up of statutory partners in Swindon and Wiltshire, including Police, Fire and Rescue Service, Local Authorities, NHS and Probation Services), who have responsibilities for reducing crime and disorder across the County. A Local Authority also has statutory responsibilities for reducing crime and safeguarding adults and children at risk of harm and therefore must play a central role in facilitating local partnerships, providing services and raising awareness of domestic abuse across the Borough.

Reducing domestic abuse contributes to two of the Council's Corporate Priorities: ensure clean and safe streets and improve our public spaces; and, help people to help themselves while always protecting our most vulnerable children and adults.

The priority of this audit was to review the Swindon and Wiltshire Strategy to Reduce Domestic Abuse (and its supporting framework), to provide assurance to the Head of Housing and Community Safety regarding its robustness and effectiveness in reducing the prevalence of domestic abuse in Swindon.

Audit Opinion

The opinion on the current controls in place is that **significant improvements are required**. Existing procedures need to be improved to ensure that they are fully reliable and a number of significant recommendations have been made to improve missing or failing controls. The combination of the high impact of the system, along with the opinion on the system controls, gives an overall risk assessment to the Council as being **of concern**.

The opinion above reflects the findings in relation to the approach of all partners involved in tackling Domestic Abuse, and does not necessarily reflect the Council's sole responsibility for actions. Where improvements are necessary, these require an agency-wide commitment.

Key Messages

The Strategy to Reduce Domestic Abuse is in place and covers key areas regarding domestic abuse. Key stakeholders of Swindon's Community Safety Partnership (CSP) from within the Council were spoken with during the audit (see **Appendix B**) and they were satisfied that there is cross agency commitment to tackling domestic abuse in Swindon.

Swindon Internal Audit Services: Domestic Abuse Strategy

However, the available resources in which to deliver on the Strategy across the partnership are limited and there is a requirement to better define the priorities for tackling domestic abuse to ensure the Strategy is achievable. There is also a need to better define the intended outcomes of domestic abuse work and establish a performance framework that is capable of measuring the effectiveness of the Strategy, to inform continuing priorities going forward.

Key recommendations are as follows:

- A more pragmatic approach to action planning is needed, with the Strategy clear as to what the key areas of focus are for tackling domestic abuse. In particular the action plan should be reviewed in the context of providing clarity around objectives of actions, resources required, outcomes expected, priorities for actions, realistic timescales, appropriate Lead Officers across the Council and partner agencies and a clear review of actions at the appropriate Domestic Abuse sub-group.
- A performance framework for measuring the success of the Strategy should be established, which defines the strategic outcomes, performance targets and indicators of success to be measured going forward (see an example from Essex at **Appendix D**).
- The Swindon Community Safety Partnership, or appropriate Domestic Abuse sub-group, should identify the data needs regarding domestic abuse, to better monitor performance. This data should be used to continually inform the basis of the Strategy and priorities in the action plan (see **Appendix E** for potential sources of information).
- Clearer ownership and commitment from partner agencies is necessary to ensure responsibilities for resources and actions are clearly defined, to reduce over reliance on the Domestic Violence Co-ordinator and ensure an ongoing and sustainable commitment to reducing domestic abuse.
- The Community Safety Partnership or 'Domestic Abuse and Violence against Women and Girls (VAWG) Strategic Board' should define their expectations of the quality assurance function of the Domestic Abuse and VAWG Management and Quality Assurance Group. Clear objectives and, where necessary, methodology for undertaking quality assurance should also be discussed and decided upon.
- The Operating Protocol for Multi-Agency Risk Assessment Conferences should be reviewed and updated to ensure agencies are aware of the process and to ensure the effectiveness and efficiency of meetings. ('Multi-Agency Risk Assessment Conferences' are a multi-agency meeting for reviewing and responding to high risk domestic abuse cases).

Savings/increased revenue opportunities

- There are no direct savings identified as a result of this review. However, it is considered that the implementation of recommendations in the report could improve the effectiveness of the Strategy, which should indirectly make better use of the resources expended on the Strategy. There are no revenue opportunities that have been identified as part of this review.

Swindon Internal Audit Services: Domestic Abuse Strategy

Context

The cross-government definition of domestic abuse is “any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners or family members regardless of gender or sexuality. The abuse can encompass, but is not limited to psychological, physical, sexual, financial and emotional.”

The Swindon and Wiltshire Community Safety Partnerships have responsibility for reducing crime and disorder across the County, including domestic abuse. To this end, the ‘Swindon and Wiltshire Strategy to Reduce Domestic Abuse,’ (hereinafter referred to as ‘the Strategy’) has been established, with the most recent version (2015-17) being adopted by the Council in December 2015.

The Strategy provides the context for tackling domestic abuse, highlighting its complex and challenging nature: it is a crime, as well as a social and public health issue, cutting across all geographic and cultural groups and causing long lasting and devastating impact on victims and their families. However, it is estimated that only one in five incidents of domestic abuse is reported and a victim may experience around thirty-five incidents of abuse before talking to anyone, with many more people presenting at hospitals or GP surgeries as a result of injuries caused by a current or former partner.¹

The Strategy aims to tackle domestic abuse across five identified priority areas: victims and survivors; children and young people; perpetrators of domestic abuse; training and awareness raising; and continuous improvement across agencies involved.

Delivery is the responsibility of individual agencies (these agencies include police, fire and rescue service, Local Authorities, NHS and probation services, with many others contributing - see **Appendix G**), but the Local Authority plays a central role in facilitating local partnerships, as well as directly providing services (e.g. primarily through adult and children services), raising awareness and meeting additional statutory responsibilities for reducing crime and safeguarding adults and children at risk of harm.

Reducing domestic abuse also contributes to two of the Council’s Corporate Priorities: “Ensure clean and safe streets and improve our public spaces and local culture²” and “Help people to help themselves while always protecting our most vulnerable children and adults.”

¹ The most recent Joint Strategic Needs Assessment (An Overview of Health and Wellbeing in Swindon 2015/16’) that informs the Strategy provides further context relating to occurrences of domestic abuse in Swindon, as follows:

- Swindon has estimated high levels of domestic abuse, compared with its ‘nearest neighbours’. Reporting of domestic abuse is increasing, however, given its hidden nature the levels could be much higher than currently reported;
- The hidden harm of abuse within the home significantly impacts the health and well-being of children witnessing violent acts; on the mental health of victims; risk of suicide; and substance misuse issues, including smoking.
- Between October 2014 and September 2015, domestic abuse accounted for 38% of all “Violence against the Person” crimes.

² Under this Priority is the specific Pledge to “Reduce the level of recorded violent crime to 13.97 offences per 1,000 of the population by March 2019.”

Swindon Internal Audit Services: Domestic Abuse Strategy

Risk Areas Examined and Findings

In accordance with best practice, a risk-based approach was adopted that identified the key risks to business objectives. These were discussed and agreed with the Head of Housing and Community Safety, the Community Safety Team Leader and Domestic Violence Co-ordinator before the commencement of the audit.

This audit has been undertaken to provide assurance to the Head of Housing and Community Safety that the Strategy is robust and effective in reducing the prevalence of domestic abuse. The agreed scope was to review the Strategy and supporting framework, to establish where there may be gaps in provision. Where time allowed, further work would be undertaken to establish whether resources are sufficient to achieve reductions in domestic violence. This has therefore been a high level review and the Council's (and partners') detailed approach to responding to individual domestic abuse cases has not been undertaken.

The Auditor undertook this task through examination of relevant documents and conversations with key Council stakeholders of the Strategy (see **Appendix B**). The table below summarises the risk areas examined, providing an assessment of the adequacy of controls in place in each area:

Risk Area Examined and Findings	Audit Conclusion
<p>Risk area: Strategy and Action Planning</p> <ul style="list-style-type: none"> The Swindon and Wiltshire Strategy to Reduce Domestic Abuse 2015/17 was agreed at Cabinet on 9th December 2015 and adopted at the Health and Wellbeing Board on 9th March 2016. The Strategy is jointly for Swindon and Wiltshire, with both Local Authorities involved in setting the Strategy. However, the delivery of the Strategy in each area is managed by separate Community Safety Partnerships in Swindon and Wiltshire. (NB. The Community Safety Partnership referred to in the findings below relates specifically to the Swindon Partnership). The Strategy was reviewed during the audit, alongside various other Local Authorities' Strategies to inform findings. In general, the Swindon Strategy provides a high level overview of priorities for tackling domestic abuse and covers the same key areas and themes as other strategies. It is clear that most LAs are working with similar issues and challenges. The Strategy states that action plans will be clear as to objectives, actions, outputs and outcomes and will show the lead agencies and resource required. Swindon has an Action Plan in place, but it does not conform to these expectations. Although extensive actions are recorded, these are vague within the Action Plan and there is not a clear priority for these actions, especially in the context of the available resources in which to deliver them (AP1.1). Although no major gaps in terms of coverage were identified, some areas could benefit from being more explicit in the Strategy (AP1.5). For example: <ul style="list-style-type: none"> Despite being identified as challenging to engage, the Strategy has only a single reference to 'working with educational establishments.' (<i>continued overleaf</i>) 	<p>Significant improvements required</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Risk Area Examined and Findings	Audit Conclusion
<p>Risk area: Strategy and Action Planning (continued)</p> <ul style="list-style-type: none"> ○ Monitoring actions to reduce violence against women and girls (VAWG) is to be part of the Domestic Abuse sub-groups' responsibility in future, but the current Strategy, Action Plan and Terms of References of these groups are not clear as to the commitment to this agenda. ○ There is a potential lack of focus relating to the targeting of minority groups (e.g. black, minority ethnic (BME), lesbian, gay, bisexual, transgender (LGBT), men etc.) and how complex issues within these groups will be addressed. ● Some further areas for improvement were also identified regarding the layout or contents of the Strategy (AP1.6): <ul style="list-style-type: none"> ○ Although there is a link to the Joint Strategic Needs Assessment (JSNA) at the end of the Strategy document, the Strategy is not clear as to the data that underpins it. Other local authorities' strategies provide a clearer picture of the national and local context for domestic abuse and the basis of their specific focus (i.e. either through their own data analysis or wider sources, such as Police inspection reports, external assessments and user feedback). Without this context for domestic abuse in Swindon and Wiltshire, the Strategy might appear generic. ○ Similarly, the introduction section of the Strategy is not attributed to a named lead officer(s) in key agencies; this may imply a lack of specific officer / partner commitment to reducing domestic abuse. ○ The risks to the achievement of objectives are not acknowledged in the Strategy; there is not a risk register for domestic abuse at a Community Safety Partnership or Council level (individual agencies outside of the Council were not reviewed and therefore may have their own). ○ The Strategy does not refer to activities or progress since the last strategy. The Strategy for the previous period (2013-14) is almost exactly the same, which may suggest that no discernible sense of progress has been made in the interim. 	<p>See previous page</p>
<p>Risk area: Data and Performance Measurement</p> <ul style="list-style-type: none"> ● There are no defined outcomes and performance measures in the Strategy, outside of general objectives to reduce the prevalence of domestic abuse and increase reporting and awareness. There is no framework for measuring the success of the strategy and individual elements. It is therefore difficult to establish that the Strategy is effective, or that the Council and other agencies are contributing to improvements. Equally, a lack of clearly defined outcomes impacts on the ability to undertake effective outcome based commissioning of services (AP1.2). This was also a common finding across other local authorities' strategies reviewed during the audit. ● Some performance data is collected (mostly from Multi-Agency Risk Assessment Conferences - see below, and the Police) and analysed by the Performance Team, who provide quarterly reports to the Community Safety Partnership and the Strategic Board. This data provides mainly geographical information regarding where domestic abuse occurs, and spikes in incidents e.g. around Christmas. (<i>cont.</i>) 	<p>Significant improvements required</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Risk Area Examined and Findings	Audit Conclusion
<p>Risk area: Data and Performance Measurement (continued)</p> <ul style="list-style-type: none"> There are some targeted responses (e.g. awareness campaigns that link with these spikes in data), but it is not clear how far the information drives the Strategy (e.g. to target identified hotspots). Data and intelligence was cited as a weakness by many spoken with during the audit, in particular: not being clear of what data is needed; not identifying the potential sources of information; not using data in an intelligent way; and, the reluctance of some providers or partners to provide data (AP1.3). 	<p style="text-align: center;">See previous page</p>
<p>Risk area: Governance Structures</p> <ul style="list-style-type: none"> The Community Safety Partnership has a formally defined governance structure to oversee its monitoring role for domestic abuse. This structure was recently amended in 2016 in order to allow for improved oversight, when the old 'Steering Group' was split into a Strategic Board and a Management and Quality Assurance Group. The Board reports into the Community Safety Partnership and a further Domestic Abuse Forum (set up to enable information sharing and networking between practitioners) reports into the Group. There are also a number of other regularly sitting sub-groups, such as the Multi-Agency Risk Assessment Conference, with others sitting as needed, i.e. the Domestic Homicide Review Group. The structure ensures the relationship of domestic abuse with other key boards (e.g. the Health and Wellbeing Board, Local Safeguarding Adults Board, Local Safeguarding Children Board). Terms of References for each Group are in place. Some officers were concerned that there is some duplication of coverage between these groups (and a review of the Terms does indicate some overlap which requires clarification between members), but most were generally happy with the split between the strategic and delivery roles of the groups (AP1.7). Officers were positive regarding the membership of these groups and participation and attendance from partners was seen as positive. However, one gap is the lack of representation from schools, or someone in the Council with responsibilities in this area (e.g. Head of Education, the Healthy Schools co-ordinator - AP1.7). The recently created Domestic Abuse and VAWG Management and Quality Assurance Group requires further discussion regarding how the Group will fulfil its quality assurance role (AP1.8). As the structure has only recently been established, officers spoken with during the audit stated it was too early to say if this will be sufficient in reducing domestic abuse across the Borough. However, most were optimistic that the new structure provides an improved basis on which to set and monitor the Domestic Abuse Strategy. 	<p style="text-align: center;">Satisfactory</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Risk Area Examined and Findings	Audit Conclusion
<p>Risk area: Resources</p> <ul style="list-style-type: none"> There was no information readily available to the Auditor in which to compare domestic abuse funding locally or nationally. The Council's responsibilities are for coordinating the Borough's approach to domestic abuse. The Council's Community Safety Partnership Team is small and there are limited resources within the Council for direct delivery. Generally, it is up to members attending meetings to decide which agency will be responsible for undertaking action. Although (as above) most officers were happy that the membership and participation of agencies was strong, there does appear to be a gap regarding resource commitments. For example, for approximately 80% of actions in the Action Plan, the Council's Domestic Abuse Reduction Co-ordinator is named as the Lead Officer, despite the intention of this role to be one of coordination, rather than delivery. Where there is a physical cost, in addition to an officer's time, it is understood that the Council will generally have to meet it (although some funding has been provided by the Police and Crime Commissioner's Office). This was provided as the reason for some of the actions not yet being completed or progressed. The Strategy therefore needs to be clearer as to the resource requirements for delivering actions in the Strategy and there is need for a clear partner commitment to sourcing actions (AP1.4). Resource generation is included in the Action Plan, with the identification of funding required to implement several business cases. However, whilst it is reasonable to explore such options, it is not seen as a sustainable model to rely so heavily on external funding. The risk associated with this lack of income is not clear in the strategy (AP1.4). 	<p>Significant improvements required</p>

Secure Procedures and Good Practice in Swindon

In addition to some of the findings above, the following outlines where the Council and partners can demonstrate further good practice. This list is not exhaustive:

- There is a clear, top-down commitment for tackling Domestic Abuse in Swindon. The Councillor chairing the Community Safety Partnership described being given a "crystal clear commitment" to the Domestic Abuse agenda from the Leader of the Council and domestic violence is one of the Council's key transformation programmes agreed at Corporate Management Team in November 2016.
- The Community Safety Partnership Team recently commissioned the Council's Insight Team to undertake research into the current approaches to reducing domestic abuse. A report was produced based on assessment of evidence around best practice, across a range of themes, both nationally and internationally. The work was detailed and there is evidence of this being discussed at Community Safety Partnership sub-groups to inform future strategic approaches in Swindon. (*cont.*)

Swindon Internal Audit Services: Domestic Abuse Strategy

- Swindon has a Family Contact Point that generally acts as the first point of contact for those requiring support or access to services within Swindon. Family Contact Point receives information from the Police regarding domestic abuse incidents (via 'PPD1 forms') which are triaged and forwarded to relevant departments to respond.
- PPD1s are used to risk assess domestic abuse cases, with clear escalation defined for when cases should be referred to Multi-Agency Risk Assessment Conferences. Multi-Agency Risk Assessment Conferences were, according to the majority of people spoken with during the audit, a well-attended and well managed risk panel, chaired by the Police.
- The Council commissions a Support Service to provide support and a refuge service to victims of domestic abuse. This service is currently provided by Women's Aid, but is out to tender (for provision from April 2017) and is to be funded by the Council, with a contribution from the Police and Crime Commissioner.
- Women's Aid also currently provides an Independent Domestic Violence Advisor (IDVA) service. One IDVA is based at the Great Western Hospital, with a further two rotating around GPs in the Borough providing support to survivors of domestic abuse. Funding for future investment in these posts has been secured between the Council and the Police and Crime Commissioner and have been included as part of the invitation to tender for the support service. Anecdotally, this service was seen as having a positive impact on victims' lives.
- The Council commissions a 'Perpetrator Programme' through the Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company.
- The Council employs a Domestic Violence Housing Options Officer to support victims with their accommodation needs.
- A documented Information Sharing Protocol between key agencies is in place to underpin the sharing of domestic abuse intelligence between agencies in Swindon and Wiltshire.
- Training and awareness of domestic abuse is offered through the Local Safeguarding Children Board site.
- The Swindon Community Safety Partnership has the responsibility for establishing domestic homicide reviews within Wiltshire, which are set up where a death of a person aged 16 or over appears to have resulted from domestic abuse. The Council has so far completed one domestic homicide review in the event of a domestic death (with three more at various stages of review). An action plan was set up as a result of the completed review (published on the Community Safety Partnership website in June 2015) and all but one action has been implemented (the remaining action relates to the updating of the Church of England's Domestic Abuse Policy).

Overall Opinion

Materiality and Impact: High: Each year around 2.1 million people suffer some form of domestic abuse in the UK, with more than 100,000 people at high and imminent risk of being murdered or seriously injured as a result of domestic abuse. There are 130,000 children who live in homes where there is high-risk domestic abuse and 62% of children living with domestic abuse are directly harmed by the perpetrator of the abuse, in addition to the harm caused by witnessing the abuse of others.³

³ Figures taken from 'SafeLives', a charity devoted to ending domestic abuse, which provides a summary of statistics relating to domestic abuse on their website.

Swindon Internal Audit Services: Domestic Abuse Strategy

In addition to the risk of death or injury, domestic abuse has other wide ranging consequences that may impact on key council services, for example in public health, housing and social care. An effective multi-agency strategy is therefore essential in preventing and supporting victims of domestic violence.

Opinion on system controls: Significant improvements required (see Appendix A) i.e. the Auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.

As recorded above, the Auditor acknowledges there are numerous examples of good practice operating in Swindon that contribute to the battle against domestic abuse within Swindon and Wiltshire. However, the opinion is based on the area reviewed in the audit i.e. the Strategy and its supporting framework.

Overall Assessment of Risk: The combination of the high impact of the system, along with the opinion on the system controls gives an overall risk assessment to the Council as being **of concern**:

		MATERIALITY AND IMPACT		
SYSTEM CONTROL		High	Medium	Low
1	High standard	Moderate	Minimal	Minimal
2	Satisfactory	Moderate	Moderate	Minimal
3	Significant improvements required	Of concern	Moderate	Moderate
4	Fundamental weaknesses identified	Significant	Of concern	Moderate

Further sources of assurance: Ofsted, together with the Care Quality Commission, HMI (Her Majesty's Inspectors) Constabulary and HMI Probation are currently undertaking joint targeted area inspections of the multi-agency response to abuse and neglect in a sample of local authorities. The inspections include "a 'deep dive' that focuses on the response to children living with domestic abuse."

At the time of writing, only the inspection report for Salford has been published (after an inspection completed there in September 2016). However, Wiltshire Council also received an inspection in November that is due to be published in the near future.

Swindon Internal Audit Services: Domestic Abuse Strategy

Although Wiltshire Council has processes for dealing with domestic abuse which are independent of Swindon Council, both authorities share a Strategy and the multi-agency approach involves many of the same partners. Therefore, when this report is published, there will be a further source of assurance regarding the approach to tackling domestic abuse in Swindon. Where necessary, reference to findings of Wiltshire's inspection will be included in this report, where available prior to finalising.

Swindon Internal Audit Services: Domestic Abuse Strategy

Action Plan

The action plan provides a summary of matters arising during the audit, together with the recommendations to mitigate risks, the manager's response to the recommendations, the officer responsible and timescale for implementation. Recommendations are prioritised to reflect the most significant matters arising. Responsible officer in many cases has been named as the Community Safety Team Leader, but this is mainly in regards to coordinating actions; other officers (and partner agencies) will be equally responsible for implementation.

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<i>Risk Area: Domestic Abuse Strategy</i>			
1.1	<p>Action Planning and Prioritisation</p> <p>The Strategy states that action plans will be clear as to objectives, actions, outputs and outcomes and will show the lead agencies and resource required.</p> <p>Swindon has an Action Plan in place (which is to be reviewed in upcoming Community Safety Partnership meetings), but it does not conform to the expectations laid out in the Strategy.</p> <p>Although extensive actions are recorded, these are vague and there is not a clear priority for these actions, especially in the context of the available resources in which to deliver them. This has led to many actions not being implemented, with progress in some areas limited (particularly around individual strategies for training and awareness and communication).</p> <p>Whilst this is not necessarily a criticism of the commitment or performance of agencies in tackling domestic abuse, it does highlight a lack of clarity or focus regarding priorities, which are critical when the remit of the Community Safety Partnership is already wide, as are the specific agendas for domestic abuse and VAWG.</p> <p>The Chair of the Community Safety Partnership Board (Councillor Donachie) stated that a more condensed, one page strategy could be useful to demonstrate these strategic priorities at a high level.</p> <p>See Appendix C for full findings in relation to AP1.1.</p>	<p>A more pragmatic approach to action planning is needed, with the Strategy clear as to what the key areas of focus are for domestic abuse activities. In particular the Action Plan should be reviewed in the context of providing clarity around:</p> <ul style="list-style-type: none"> • Detail of actions and related objectives • Outcomes expected • Clear priorities for actions and realistic timescales. An ongoing assessment of implementation should flag when actions will not be completed, with mitigation or reprioritising undertaken as necessary • Outputs and resources required and from where these will be provided • Appropriate Lead Officers across the Council and partner agencies • Removal of duplicated actions • Clear review of actions at the appropriate Domestic Abuse sub-group. <p>Consideration should be given for producing a 'one-pager' on Domestic Abuse, to better focus Domestic Abuse priorities and communicate them to key stakeholders.</p> <p>Priority: High</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>The big task of the new DA Board is to focus the priorities going forward and at the next meeting (in January 2017) there will be a major refresh and reshaping of this action plan.</p> <p>The current Strategy relates to 2015-17 and so is also due to be reviewed next year.</p> <p>Producing an infographic will be looked at to illustrate the high level Strategy and key priorities and help to embed the Strategy, especially at CSP Board level.</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<i>Risk Area: Domestic Abuse Strategy</i>			
1.2	<p>Outcomes and Performance Measurement</p> <p>There are no defined outcomes or performance measures in the Strategy, outside of general objectives to reduce the prevalence of domestic abuse and increase reporting and awareness. Measuring the success of the strategy or individual elements within is therefore not possible.</p> <p>Outside of the Strategy, the auditor was informed that one key target was to reduce repeat incidents, which are measured through Multi-Agency Risk Assessment Conferences). However, this measure is similarly absent in the strategy.</p> <p>The Councillor and Officers spoken with during the audit accepted that, although the outcomes in the Strategy are broadly defined, a performance framework is not in place. It is accepted by the auditor that there are difficulties in determining multi-agency targets for domestic abuse, as there may be differing priorities of individual agencies and a delicate balance between potentially conflicting measures (e.g. between reducing domestic abuse incidences against the want to increase reporting). It should be noted that this was also a common finding of most other local authorities' strategies reviewed during the audit.</p> <p>However, without this, it is difficult to establish the effectiveness of the Strategy or the contribution of the Council and other agencies. Equally, a lack of clearly defined outcomes impacts on the ability to undertake effective, outcome-based commissioning of services. For further context of this finding and an example of performance measures from Essex, Thurrock and Southend, see Appendix D.</p>	<p>A performance framework for measuring the success of the Strategy should be established between partners, through discussions at the Community Safety Partnership and the Domestic Abuse and VAWG Strategic Board.</p> <p>The framework should define the strategic outcomes, performance targets and indicators of success, to be measured going forward for each theme in the Strategy.</p> <p>Any measures should be jointly agreed between partners and compliment the need to increase domestic abuse reporting.</p> <p>Targets should aim to measure the reactive and proactive / preventative aspects of the Strategy and include a combination of quantitative and qualitative formats where necessary.</p> <p>Where good practice is available, benchmarking should take place with other local authorities, to inform Swindon's approach in this area.</p> <p>Priority: High</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>This will be a vital part of defining the action plan, as per AP1.1.</p> <p>There is a need to define what is needed and this will also be discussed at the new DA Board in January 2017 and a menu of DA data produced that links to the action plan.</p> <p>This can then be used to inform a calendar of targeted responses and to measure the effectiveness of these responses (which is the intention of the proposed Communication Strategy in the current Action Plan).</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<i>Risk Area: Domestic Abuse Strategy</i>			
1.3	<p>Data</p> <p>Data and intelligence was cited as a weakness by many spoken with during the audit, in particular: not being clear of what data is needed; not identifying the potential sources of information (see Appendix E); not using data in an intelligent way, e.g. defining outcomes or driving specific interventions; and, the reluctance of some providers or partners to provide data⁴.</p> <p>Information, such as that provided by the JSNA, does provide the context for tackling domestic abuse, but the Strategy does not provide a clear data driven context for domestic abuse and so it is unclear in the Strategy how intelligence specifically drives actions, or helps to define outcomes (without which the Strategy can appear generic, rather than Swindon / Wiltshire specific).</p> <p>Outside of the Strategy, performance data is collected⁵ and analysed by the Performance Team, who provide quarterly reports to the Community Safety Partnership and the Strategic Board. Currently this data provides mainly geographical information on where domestic abuse occurs and spikes in incidents e.g. around Christmas. There are some targeted responses (e.g. awareness campaigns that link with these spikes in data), but other than this, it is not clear how the information drives the Strategy (e.g. to target identified hotspots or preventative activities towards potential victims).</p>	<p>The Community Safety Partnership or the Domestic Abuse and VAWG Strategic Board should identify the data needs regarding domestic abuse.</p> <p>Methods for collection and analysing of this data should be established and then used to continually inform the basis of the Strategy and priorities in the Action Plan, especially for providing proactive strategies for tackling domestic abuse.</p> <p>Priority: High</p> <p>Consideration should be given to including relevant data and other intelligence in the Strategy (as opposed to merely linking to it) to illustrate the national and local context for the domestic abuse approach and to demonstrate the basis of specific areas of focus.</p> <p>Priority: Low</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>Strongly linked to AP1.2 above.</p> <p>The current JSNA (and other) data provides a strong case for tackling DA in Swindon and therefore needs to be more explicit in the Strategy.</p> <p>The JSNA will be due for updating soon, which will become the basis for the refresh of the Strategy due in 2017.</p>

⁴ In particular this referred to the data currently received from the support service, but which is being addressed through the retendering of the support service. The other main issue to be noted was the organisation Home Truths, who do not generally cooperate with requests for data, despite SBC funding a crèche.

⁵ Most data currently collected is from MARAC and the Police (mainly via PPD1s, which are essentially a DA risk assessment, and supplemented by further Police data about incidents and arrests). Further information is provided by Children, who supplement the PPD1 information received from the Police with further information known to the LA from Capita One, the electronic management system used by Children Services.

Swindon Internal Audit Services: Domestic Abuse Strategy

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<i>Risk Area: Domestic Abuse Strategy</i>			
1.4	<p>Resources and Partner Commitment</p> <p>There were a range of opinions regarding the commitment of partner agencies to the domestic abuse agenda, but most officers were satisfied that the membership and participation of agencies was strong. However, outside of the period in the Strategy (i.e. 2015-2017), it is not clear what future commitment there is from partners to the domestic abuse agenda and there is therefore a risk that the strategy has a lack of credibility going forward and may not be sustainable.</p> <p>At the very least, there is a gap regarding resource commitments. As noted above in AP1.1, the Strategy is not clear as to the resource requirements for delivering actions and so the full commitment of partner agencies is not clear (in physical monies and in staff time) for delivering aspects of the strategy for which they could / should be responsible for.</p> <p>It is understood from officers that if there is a physical cost additional to an officer's time, the Council will generally have to meet this. This was provided as the reason for some of the actions not yet being completed or progressed.</p> <p>External resource generation is included in the Action Plan and is required in order to implement several actions. Whilst this is reasonable to explore, it may not be a sustainable model and so a more defined commitment from partners is necessary to ensure future domestic abuse action can be maintained.</p>	<p>Responsibilities of agencies for domestic abuse should be clearly defined, with clear ownership and commitment gained from all partner agencies for future resourcing of activities. For example, this could be via a formal (but not overly burdensome), three to five year partnership agreement to ensure all key partners are committed to the Domestic Abuse Strategy in the short, medium and long-term. At the very least, key partners should contribute to a foreword for the Strategy to endorse their commitment to domestic abuse (see also AP1.6). Exploration for establishing a pooled fund for domestic abuse should also be undertaken to evaluate if this is a viable option for funding activities going forward.</p> <p>Priority: High</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>A foreword from partners will be added to the Strategy, as it has been in previous versions.</p> <p>The new structure and membership of the DA Board and Groups provides a strong chance for clearer ownership and contribution from agencies and the right people are in the right place to commit resources to actions where necessary.</p> <p>Wiltshire has a pooled budget and this can work, but if this is not possible in Swindon, then at the very least, there is a need to identify where separate pots of money are and how these will join together going forward.</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	Risk Area: Domestic Abuse Strategy			
1.5	<p>Strategy - Potential Gaps in DA Priorities</p> <p>The 2015-17 Strategy was reviewed and no major gaps in terms of coverage were identified; the document provides a high level overview of priorities for tackling domestic abuse. However, some potential gaps were identified during the audit:</p> <ul style="list-style-type: none"> • Since the Strategy was formed, there has been a decision to include the remit regarding violence against women and girls (VAWG). Although it should be noted that those spoken with were generally agreed that this is covered sufficiently, the Auditor does not believe the current Strategy, Action Plan and Community Safety Partnership (and sub-group) Terms of References are clear as to ownership or actions relating to this agenda. • Although most Strategies reviewed during the audit (including Swindon's) refer to an indiscriminate commitment to all victims, there was a lack of explicit focus or objectives relating to minority groups (e.g. BME, LGBT, men etc.) and how complex issues regarding these groups will be addressed. • Most officers spoken with during the audit acknowledged challenges in engaging with schools. However, the Strategy has only a single reference to 'working with educational establishments' and appears to have no specific emphasis on strategies for improving this. • It is not clear the extent that victims and survivors have contributed to and shaped the Strategy. 	<p>The Strategy should be reviewed in the context of including more explicitly the following:</p> <ul style="list-style-type: none"> • Commitment to and actions relating to the wider VAWG remit. • Particular objectives, actions and priorities regarding minority groups that may be potentially affected by domestic abuse. • A clear priority for improving engagement with Schools and Colleges. • Victims and survivors (and where appropriate, perpetrators) should be given ample opportunity to inform the Strategy and ongoing domestic abuse priorities. Where this happens, this should be reflected clearly in the Strategy document. <p>Any update of the Strategy should be supported by a suitable publicity campaign aimed at key stakeholders to ensure they are aware of any changes / improvements made.</p> <p>Priority: Medium</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>The VAWG aspect of the Strategy is developing and the CSP and DA sub groups have a clear message that VAWG is a significant responsibility of the DA Strategy. This will be reflected in the refresh of the Action Plan, as above.</p> <p>Similar for minority groups; this is in the Strategy, but greater attention will be given to it in the new Action Plan in future.</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	Risk Area: Domestic Abuse Strategy			
1.6	<p>Strategy - General Omissions</p> <p>In addition to the findings highlighted elsewhere in this action plan, some further general potential areas for improvement were identified during the audit:</p> <ul style="list-style-type: none"> The risks to the achievement of objectives are not acknowledged in the Strategy (for example those associated with a lack of sustainable future resources and the impact the achievement of DA objectives). The Community Safety Partnership structure and responsibilities of subgroups are not explicit in the Swindon Strategy. The introduction to Swindon's Strategy is not attributed to a named lead officer(s); this may imply a lack of commitment to reducing Domestic Abuse. The Strategy does not refer to what has been done since the last strategy and what progress has been made in tackling domestic abuse. The Strategy for the previous period (2013-14) is almost word for word, exactly the same, which implies no discernible progress has been made. It is not clear from the Strategy what a person should do or who they should contact if they are concerned about Domestic Abuse. It is acknowledged that this is a strategy rather than a procedure document, but someone may chance upon the strategy with a concern regarding domestic abuse, and without this signpost, an opportunity may be lost for someone to come forward. The CSP website links to the old Domestic Abuse Strategy from 2014-15. 	<p>Upon refreshing the Swindon and Wiltshire Strategy to Reduce Domestic Abuse, the following additions should be considered for inclusion:</p> <ul style="list-style-type: none"> The risks to the achievement of Strategy objectives, along with the actions for how these will be mitigated. Reference to the role and structure of the Community Safety Partnership and subgroups. A foreword by a named lead officer / senior manager from each key agency that demonstrates an ongoing commitment to the Strategy (see also AP1.4). Progress and achievements made since (and due to) the previous Strategy. Contact details for where to raise a domestic abuse concern. The up to date Strategy should be available on the CSP website. <p>As above in AP1.5, any changes made should be suitably publicised to key stakeholders to maximise awareness of ongoing priorities.</p> <p>Priority: Medium</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>This will inform the health check of the Strategy when it is due to be refreshed in 2017, which is likely to be after April. It should be noted that the existing Strategy was also a refresh of the previous 2014-15 Strategy, which is why the documents are very similar. The key themes are all still relevant and so the difference in the detail should be in the action planning. The link to the new Strategy on the website has been raised in the past and will be followed up.</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<i>Risk Area: Domestic Abuse Strategy</i>			
1.7	<p>Community Safety Partnership Governance</p> <p>There is a formally defined Community Safety Partnership structure that governs the oversight of domestic abuse work, most of which, has only been in place since July 2016.</p> <p><u>Terms of Reference</u></p> <p>These have been established for these groups, but there was some concern from officers spoken with during the audit that duplication of coverage exists between groups, in particular between the Strategic Board and the Management and Quality Assurance Group.</p> <p><u>Membership</u></p> <p>Membership is generally strong, but there is a lack of representation from Schools or someone in the Council with responsibilities in this area (e.g. Head of Education, Healthy Schools co-ordinator). This is a gap, given the difficulties in securing their engagement.</p> <p>In addition, although victim representation is part of the membership of the Domestic Abuse Board (in their Terms of Reference), there does not appear to be any representation of victims at meetings.</p> <p><u>Community Safety Partnership Chair</u></p> <p>The current chair of the Community Safety Partnership is the Cabinet Member for Housing and Homelessness (who is lead for reducing domestic violence and abuse).</p> <p>A recommendation made in a peer review for 'Ending Gang and Youth Violence' in Swindon (carried out by the Home Office in January 2016) stated that, although member scrutiny was considered vital to the board, the chair of the Community Safety Partnership should be a non-member, to provide strategic executive level commitment to the role.</p>	<p>It should be verified with participants that they are satisfied with the roles and responsibilities of each group.</p> <p>Priority: Medium</p> <p>It should also be established whether schools / educational establishments should be represented on the Domestic Abuse groups.</p> <p>Victim representation should be secured where possible for inclusion at relevant Domestic Abuse sub-groups.</p> <p>Priority: Medium</p> <p>It should be discussed at Community Safety Partnership whether there should be any executive restrictions on the position of Community Safety Partnership chair, or if current arrangements are appropriate.</p> <p>Priority: Low</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>However, in regards to Schools, the attendance of the Director of Children Services is considered sufficient to represent the views of Schools, as the Head of Education is a direct report. The Head of Education can and will be invited to attend meetings as necessary.</p> <p>There are no immediate concerns with the Chair of the CSP. As the CSP is not a legal entity, having a Councillor as Chair provides profile for DA and ensures direct accountability into Cabinet. CSP will though be asked to reflect on this, to ensure this is still appropriate. In the past, the Chair has rotated between agencies and this can have its benefits, as can having an independent chair, as is the case at LSAB / LSCB. The Chair has already declared they will not be involved, to ensure the objectivity of the decision.</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<i>Risk Area: Domestic Abuse Strategy</i>			
1.8	<p>Quality Assurance (QA)</p> <p>QA is the responsibility of the recently created Domestic Abuse and VAWG Management and QA Group.</p> <p>This is a new addition to the Community Safety Partnership Domestic Abuse structure and although some discussion has taken place at this group to determine how this role will be fulfilled, there is not currently a defined framework within which their QA responsibilities will operate.</p> <p>The Group also has responsibility for overseeing MARAC and ensuring recommendations from Domestic Homicide Reviews are implemented. It is not clear however, if there is a similar review for near misses and if there is a structured approach for identifying and reviewing these when appropriate.</p>	<p>The Domestic Abuse and VAWG Strategic Board should define their expectations of the QA function of the Domestic Abuse and VAWG Management and QA Group. Clear objectives and, where necessary, methodology for undertaking QA should also be discussed and decided upon.</p> <p>The Group's role in identifying and reviewing near misses should also be considered and defined.</p> <p>Priority: Medium</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>The Group have only met twice so far and are still finding their way and so this is to be developed.</p> <p>The Group will have a work programme in place to provide some structure for their QA role, that will include at least two 'deep-dives' of individual processes through the year.</p>

Swindon Internal Audit Services: Domestic Abuse Strategy

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<i>Risk Area: Domestic Abuse Strategy</i>			
1.9	<p>Multi-Agency Risk Assessment Conferences (MARAC)</p> <p>MARAC is a process established by SafeLives (a Domestic Abuse charity) as a method of reviewing high risk Domestic Abuse cases. The process in Swindon was regarded as strong by most officers spoken with during the audit and it was stated that previous self-assessments and observations by SafeLives have been positive. SafeLives recommends a self-assessment (or peer review from another MARAC) take place every 2 years. However, the last self-assessment was in 2012.</p> <p>A MARAC protocol was drafted in 2012 but is incomplete. Although it was acknowledged that this is out of date, it was not considered a priority because the process is so well embedded. However, further anecdotal issues were raised during the audit that may be a consequence of the Protocol being out of date. For example, it was raised by some officers that:</p> <ul style="list-style-type: none"> • Case volumes are too large and unsustainable. • Information is not being shared prior to meetings. • The number of repeats is still high⁶. • There is a potential single point of failure, with the Chair (from the Police) providing the majority of direction for prompting information sharing, risk identification and action planning. • There may be potential duplication when MARAC discusses cases with child protection implications, • Although a victim based process, there is a lack of focus on perpetrators and thus the cause of abuse. 	<p>Consideration should be given to undertaking a SafeLives self-assessment or inviting another MARAC to undertake a peer review of Swindon's process.</p> <p>In addition, the MARAC Operating Protocol should be reviewed and updated, with specific consideration given to:</p> <ul style="list-style-type: none"> • The relationship with other processes (e.g. child protection planning), • Prioritisation of cases to ensure only the highest risk cases are being referred, • The Domestic Abuse and VAWG Management and QA Group's responsibilities for overseeing the performance of MARAC, in particular, establishing action to tackle high repeats (which should be incorporated in the Strategy where necessary). • Action planning in relation to perpetrators, • Responsibility for circulating case notes prior to meetings. <p>An updated Protocol should be circulated to members of MARAC to ensure understanding of the process and reduce any potential over-reliance on individual members.</p> <p>Priority: Medium</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>This is integral to DA work and a refresh of the Protocol is in progress.</p> <p>Work has taken place to ensure the prioritisation of MARACs is robust. A recent dip sample of twenty repeat MARAC cases found that there were three that may not have met the criteria, which were then discussed with SafeLives, who subsequently agreed that these did.</p> <p>Admin within the Police now also provides a review of MARAC agendas prior to cases being heard at MARAC.</p> <p>For perpetrators, there are plans to introduce an 'Enforcement Officer' role to make full use of anti-social behaviour tools against serial perpetrators. However, this requires funding and potentially further capacity in Legal and so is still being developed.</p>

⁶ Although it should be noted that most recent figures for April-June 2016 show repeats in the last three months have just fallen in line with current SafeLives performance thresholds.

Standard Audit Opinions

The audit opinion is based on two different criteria the first is materiality of the system and its impact on the Council if there was a system failure. This has been split into High, Medium or Low.

The second criteria is the standard of control found within the system audited. This has been categorised into 4 different levels i.e. high; satisfactory; significant improvements required and fundamental weaknesses identified. Each of these categories has a standard opinion (see below).

The combination of these two factors gives an overall risk assessment to the Council of one of four scores i.e. significant, of concern, moderate or minimal (see Overall Opinion section in the main report).

Standard Audit Opinion System Control

Audit Opinion 1. *High standard*

The auditor completing the review concluded the significant controls are in place and operating effectively and only minor recommendations have been made

Audit Opinion 2. *Satisfactory standard*

The auditor completing the review concluded that most of the significant controls are in place and operating satisfactorily although some non-compliance was identified and therefore there is scope for improvement.

Audit Opinion 3. *Significant improvements required*

The auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.

Audit Opinion 4. *Fundamental weaknesses identified*

The auditor completing the review concluded that the matters arising from the review are sufficiently significant to place doubt on the reliability of the procedures reviewed. Implementation of the recommendations made is a priority to ensure that reliance can be placed on the system.

Acknowledgements

Internal Audit would like to acknowledge and thank the following Officers who contributed to the review:

Name	Job Title
Arlene Griffin	Housing Business Development Manager
Cherry Jones	Director of Public Health
Councillor Oliver Donachie	Councillor and Chair of the Community Safety Partnership
Doug Bale	Adult Safeguarding Manager
Ian Stenner	Commissioner Supported Housing
Jeanette Chipping	Child Sexual Exploitation (CSE) and Missing Manager
Karen Reeve	Director - Children's Services
Lin Williams	Domestic Violence Co-ordinator
Mike Ash	Head of Housing Management and Community Safety
Sally Cherrington	Performance Analyst (Community Safety and NEET and RPA)
Steven Kensington	Community Safety Team Leader

AP1.1 - Domestic Abuse Action Planning and Prioritisation - Full Finding

The Strategy states that action plans will be clear as to objectives, actions, outputs and outcomes and will show the lead agencies and resource required. Swindon has an Action Plan in place, this was reviewed and the following observations made:

- Actions are vague and not clear as to their objectives or the outcomes expected of the action(s);
- Timescales are included against actions, but some have passed, with progress against the actions unclear.
- There was no further basis on which priorities for actions have been assigned and therefore it is unclear which actions are most important.
- Actions are structured under the five themes in the Strategy, which has led to some actions being duplicated.
- Some priorities, identified by officers during the review, are missing from the Action Plan (e.g. re-commissioning of the support service in 2016/17).
- The outputs / resources required to implement actions are not referred to at all. It is unclear which carry a cost and if so, from where this will be met.
- For twenty-six of the thirty-three actions (approx. 80%), the Lead Officer is the DA Reduction Co-ordinator, despite their role being one of coordination, rather than delivery. The role of partner agencies in delivering the action plan is not clear.
- Although it is not required by the Strategy, there is not a risk assessment of actions to determine where implementation may be at risk, or to flag up where progress is behind schedule.
- There is no evidence (albeit from a limited number of meetings taken place thus far) that the Action Plan is being reviewed at meetings to review progress and allocate lead officers from appropriate agencies.

A sample of actions from the Action Plan was selected and discussed with the DV Reduction Co-ordinator to review progress. It was found that many of the actions are still outstanding, with limited progress made in some areas, despite some having gone past their expected completion date.

There are legitimate reasons for the lack of action in these cases, but this highlighted that the current Action Plan is overly ambitious, especially when considering the resource available in which to deliver these activities.

Swindon Internal Audit Services: Domestic Abuse Strategy

Action Plan Reference and Action	Responsible Officer and Date	Progress (based on discussions with DV Reduction Co-ordinator)
1.7 - Develop standardised responses to reporting- shared response / signposting / referral. Same service regardless of organisation	DV Reduction Co-ordinator / Service Providers / DA Forum Dec 2016	This would be great in an ideal world, but in reality there is a lot of work to be done to get to this stage. There are plans for other actions to feed into this (e.g. performing a 24-hour 'snapshot') but this will not be achieved by December.
1.10 - Monitor and implement recommendations from DHR	DV Reduction Co-ordinator / DASG Jun 2016	All but one has been achieved; progress overseen by the previous DA Steering Group.
2.1 - Develop School engagement - healthy relationships both primary/secondary. Make agenda relevant to schools – link to truancy / exclusions. Engage through head teachers forum	Healthy Schools Co-ordinator / DV Reduction Co-ordinator / LSCB Dec 2016	The report from the Insight Team has addressed some of these issues around alternative approaches and now looking at next steps, with the Insight Team leading on this to see how we best move forward. Ongoing.
4.1 – What agencies training wants / needs are; Questionnaire / Needs Assessment to inform and develop Training Strategy	DV Reduction Co-ordinator / DASG Feb 2016	The Support Service (currently provided by Women's Aid) is commissioned to run some training. Some e-learning is in place in children, but this is fragmented and still way off from being completed.
4.2 – Develop and implement a Communications Strategy targeting frontline staff – GPS, Health visitors, GP staff, pharmacies, GWH around Health and Wellbeing; Campaign on social media / cyber bullying and how it's used by abusers. Programme of train the trainer for cascading training to staff across agencies.	DV Reduction Co-ordinator / Communications Team / Awareness Sub Group Health Project workers / Community navigators / Communications strategy Jul 2016	As above, this is still way off and so still in development.
5.1 – Identify effective ways of measuring outcomes. What does success look like and how to ensure victims are safe.	DASG/Scrutiny Panel Mar 2017	This is about evidence, which is something SBC have not been great at in this area thus far. Need to define what success looks like, taking into consideration that this may be different for different agencies and so difficult to ascertain. Still need to get heads around this and so acknowledged as a weakness.
5.3 – Identify what data is collected and by whom, its usefulness and what is required for the future	DASG / DV Reduction Co-ordinator / Performance Analyst / partner organisations / Community Safety Team Leader Mar 2016	As above - still need to do; would be useful in determining one or two other priorities if this were in place.

Although some officers were positive as to the achievability of these actions, in reality, it is difficult to see how this can be the case within the resource constraints. Other officers did raise concerns that the Strategy may lack focus, with the majority of work around DA still being mostly reactive. It was suggested that changes to the Strategy are required to work differently within the available resource, for example, by targeting resources on key areas (e.g. perpetrators, potential victims), rather than spreading current resources thinly across numerous, extensive priorities.

AP1.2 - Outcomes and Performance Measurement

There are no defined outcomes or performance measures in the Strategy, outside of general objectives to reduce the prevalence of DA and increase reporting and awareness. Measuring the success of the strategy and individual elements within is therefore not clear and it is difficult to establish that SBC and other agencies are contributing to improvements. For example, the JSNA estimates Swindon has higher levels of DA than its neighbours. However, current performance measurement makes it difficult to conclude whether this is due to better reporting of DA in Swindon, or if this indicates higher levels of DA.

A lack of clearly defined outcomes also impacts on the ability to undertake effective, outcome-based commissioning of services.

One measure that does exist is repeat incidents through MARAC. However, this measure is absent in the strategy and does not provide clarity of how partners are performing below the threshold for MARAC (i.e. at a preventative level).

It is accepted by the auditor that there are difficulties in determining multi-agency targets for DA, as individual agencies may have differing priorities and some measures may be conflicting (e.g. reducing DA incidences vs. the want to increase reporting).

The Chair of the CSP outlined further considerations relating to the setting of DA performance measures:

- All partners need to be aligned about what good performance is and what measures are telling us about performance.
- Measures need to take into account the realistic impacts of certain strategies, to ensure the actions are being appraised fairly in the context of their realistic short, medium and longer term aims.
- Any framework needs to ensure the human element is not lost, and victims are not processed or analysed as clinical statistics. The Domestic Violence Reduction Coordinator also raised the potential for measuring performance via less quantitative means and referred to a recent case study presented to the Health and Wellbeing Board that was well received and perhaps better communicated the positive impact of the Strategy.

Defining performance measures for DA is a common difficulty facing other LAs, based on the strategies reviewed during the audit⁷, but there were some examples where these were better defined (*continued overleaf*).

⁷ This was also an issue identified in Ofsted's recent joint targeted area inspection of Salford, where it found that a "lack of effective performance monitoring and evaluation in relation to children living with domestic abuse from a multi-agency perspective does not enable the CSP to understand fully the day-to-day experiences of children living with domestic abuse or the effectiveness of the response from each of the agencies both individually and collectively."

Swindon Internal Audit Services: Domestic Abuse Strategy

The following is a page taken from the Essex, Thurrock and Southend - Joint Commissioning Strategy for Domestic Abuse 2015-20 and provides an example of outcomes and potential performance measures that might be used for reviewing the success of a DA Strategy.⁸

Strategy Summary - Outcomes and Indicators of Success

Joint Commissioning Strategy for Domestic Abuse

Vision - Everyone in Essex lives a life free from Domestic Abuse

Young people enjoy healthy relationships

- Number of young victims and percentage of repeat victims
- Demonstration of a good understanding of healthy relationships
- Number of young perpetrators and percentage of repeat perpetration

Victims (Adults and Children) and those at risk of experiencing domestic abuse feel and are safe

- Timeliness of multi-agency information sharing
- Access to pertinent and appropriate information, guidance and specialist support (Victims and their children)
- Number and percentage of repeat incidents
- Impact of engagement with support services

Victims (Adults and Children) are able to recover and move on to live independently

- Number of victims requiring relocation
- Percentage of victims accessing education, training and employment
- Percentage of victims accessing appropriate support services
- Proportion of known victims identified in health settings and referred to support services

Perpetrators are prevented from causing physical and emotional harm

- Number of repeat victims
- Operation Shield Total Harm Score
- Number and proportion of successful prosecutions
- Proportion and proportion of positive disposals
- Number of perpetrators identified and referred into behaviour change programmes
- Effective completion of behaviour change programmes

Communities have a greater awareness of what an abusive relationship is and how to report it and as a consequence feel safer

- Access to relevant and appropriate information, guidance and specialist support
- Prevalence rates of domestic abuse incidents in ethnic minority communities
- Training sessions provided and number of front-line practitioners attending
- Co-ordinated domestic abuse campaigns delivered

⁸ Replicated directly from the Essex, Thurrock and Southend Strategy; any wording or grammatical errors within are therefore copied verbatim from this document.

Potential Sources of Information

The following are potential sources of DA information, whereby people working in these agencies / businesses may receive information relating to an incident of DA outside of formal reporting processes. These are based on documents and articles researched during the audit.

Some of these are already part of the CSP's knowledge base, but those that are not, which provide less formal routes to DA reporting, could be considered going forward for inclusion in targeting training and awareness resources, e.g. providing workers in these areas with adequate training regarding identifying the signs of abuse and how to report these to the appropriate agency.

- Police
- Council Services
 - Children Services
 - Adult Services
 - Public Health
 - Housing / Homelessness
 - Property Services / Housing Maintenance
 - The One Stop Shop / Customer Services
 - Localities / Community Champions
- Housing Associations / Private landlords
- Schools / Colleges
- GPs / Doctors / Hospitals / Dentists
- Probation Services
- Vets
- Hairdressers
- Employers
- Sports Clubs
- Faith groups
- Jobcentre
- Community Centres / Youth Centres
- Social Media
- Charities / Support Services (e.g. Women's Aid / Salvation Army / NCPCC / Swindon Foodbank)

Glossary of Terms

BME - Black and minority ethnic

CSP - Community Safety Partnership; made up of statutory partners in Swindon and Wiltshire, including police, fire and rescue service, councils, NHS and probation services.

DA - Domestic Abuse; any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners or family members regardless of gender or sexuality. The abuse can encompass, but is not limited to psychological, physical, sexual, financial and emotional.

Health and Wellbeing Board - The Health and Social Care Act 2012 establishes health and wellbeing boards as a forum where key leaders from the health and care system work together to improve the health and wellbeing of their local population and reduce health inequalities. Board members will collaborate to understand their local community's needs, agree priorities and encourage commissioners to work in a more joined up way.

IDVA - Independent Domestic Violence Advisor

JSNA - Joint Strategic Needs Assessment; the Health and Wellbeing Board (see above) has a statutory responsibility to prepare a JSNA for Swindon. It draws together key themes from available evidence and describes the current and future health and wellbeing needs of the people of Swindon and is the principal workstream to inform the Joint Health and Wellbeing Strategy. The JSNA highlights the importance of local partners working together to improve health and wellbeing and to reduce inequalities.

LA - Local Authority

LGBT - Lesbian, Gay, Bisexual, Transgender

LSAB - Local safeguarding Adult Board - is a multi-agency partnership, which actively engages in providing better protection for individuals needing care and support. Whilst safeguarding adults' protocols refer to all people over the age of 18 years and who fit the definition of a vulnerable adult, the majority of alerts and/or concerns raised fall within people aged 65 years and over.

LSCB - Local safeguarding Children Board – Local partnership boards were set up by the Government as part of the system of checks and balances to make sure that partner agencies are held to account about how children and young people are kept safe and that they receive consistent and excellent provision.

MARAC - Multi-Agency Risk Assessment Conferences for domestic abuse, a case conference meeting for victims identified at highest risk. It provides a forum for sharing information and taking action that will reduce harm. MARACs are outcome focused. Attendance is by key agencies from the statutory and voluntary sector working in the field of domestic abuse.

PCC - Police and Crime Commissioner

QA - Quality Assurance

VAWG - Violence Against Women and Girls; Includes domestic violence; forced marriage; honour-based violence; female genital mutilation; rape and sexual offences; prostitution; trafficking; child abuse; and pornography.

Partner Agencies Contributing to the Domestic Abuse Strategy and Community Safety Partnership



AUDIT	Domestic Abuse Strategy	PREPARED BY	Mike Ash	DATE	March 2017
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NO	ORIGINAL RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE TO BE ACTIONED BY	CURRENT STATUS	MANAGEMENT UPDATE
1.	Risk Area: Domestic Abuse Strategy				
1.1	<p>A more pragmatic approach to action planning is needed, with the Strategy clear as to what the key areas of focus are for domestic abuse activities. In particular the Action Plan should be reviewed in the context of providing clarity around:</p> <ul style="list-style-type: none"> • Detail of actions and related objectives • Outcomes expected • Clear priorities for actions and realistic timescales. An ongoing assessment of implementation should flag when actions will not be completed, with mitigation or reprioritising undertaken as necessary • Outputs and resources required and from where these will be provided • Appropriate Lead Officers across the Council and partner agencies • Removal of duplicated actions • Clear review of actions at the appropriate Domestic Abuse sub-group. <p>Consideration should be given for producing a 'one-pager' on Domestic Abuse, to better focus Domestic Abuse priorities and communicate them to key stakeholders.</p> <p>Priority: High</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>The big task of the new DA Board is to focus the priorities going forward and at the next meeting (in January 2017) there will be a major refresh and reshaping of this action plan. The current Strategy relates to 2015-17 and so is also due to be reviewed next year.</p> <p>Producing an infographic will be looked at to illustrate the high level Strategy and key priorities and help to embed the Strategy, especially at CSP Board level.</p>	2	<p>Action Planned has been reviewed the March 2017 DA Board and also the QA and Management Group in February 2017.</p> <p>Updated Action Plan to be submitted to next Board Meeting (May 2017)</p>

Current Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

NO	ORIGINAL RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE TO BE ACTIONED BY	CURRENT STATUS	MANAGEMENT UPDATE
1.	Risk Area: Domestic Abuse Strategy				
1.2	<p>A performance framework for measuring the success of the Strategy should be established between partners, through discussions at the Community Safety Partnership and the Domestic Abuse and VAWG Strategic Board.</p> <p>The framework should define the strategic outcomes, performance targets and indicators of success, to be measured going forward for each theme in the Strategy.</p> <p>Any measures should be jointly agreed between partners and compliment the need to increase domestic abuse reporting.</p> <p>Targets should aim to measure the reactive and proactive / preventative aspects of the Strategy and include a combination of quantitative and qualitative formats where necessary.</p> <p>Where good practice is available, benchmarking should take place with other local authorities, to inform Swindon's approach in this area.</p> <p>Priority: High</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>This will be a vital part of defining the action plan, as per AP1.1.</p> <p>There is a need to define what is needed and this will also be discussed at the new DA Board in January 2017 and a menu of DA data produced that links to the action plan.</p> <p>This can then be used to inform a calendar of targeted responses and to measure the effectiveness of these responses (which is the intention of the proposed Communication Strategy in the current Action Plan).</p>	2	<p>Discussion held on the Action Plan and Performance measures. At recent Board meetings. Performance measures will be developed for each agreed action. New and amended actions are being introduced incrementally</p>

Current Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

NO	ORIGINAL RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE TO BE ACTIONED BY	CURRENT STATUS	MANAGEMENT UPDATE
1.	Risk Area: Domestic Abuse Strategy				
1.3	<p>The Community Safety Partnership or the Domestic Abuse and VAWG Strategic Board should identify the data needs regarding domestic abuse.</p> <p>Methods for collection and analysing of this data should be established and then used to continually inform the basis of the Strategy and priorities in the Action Plan, especially for providing proactive strategies for tackling domestic abuse.</p> <p>Priority: High</p> <p>Consideration should be given to including relevant data and other intelligence in the Strategy (as opposed to merely linking to it) to illustrate the national and local context for the domestic abuse approach and to demonstrate the basis of specific areas of focus.</p> <p>Priority: Low</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>Strongly linked to AP1.2 above. The current JSNA (and other) data provides a strong case for tackling DA in Swindon and therefore needs to be more explicit in the Strategy. The JSNA will be due for updating soon, which will become the basis for the refresh of the Strategy due in 2017.</p>	1	Action completed. Agreed by Community Safety Partnership Board January 2017

Current Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

NO	ORIGINAL RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE TO BE ACTIONED BY	CURRENT STATUS	MANAGEMENT UPDATE
1.	Risk Area: Domestic Abuse Strategy				
1.4	<p>Responsibilities of agencies for domestic abuse should be clearly defined, with clear ownership and commitment gained from all partner agencies for future resourcing of activities. For example, this could be via a formal (but not overly burdensome), three to five year partnership agreement to ensure all key partners are committed to the Domestic Abuse Strategy in the short, medium and long-term.</p> <p>At the very least, key partners should contribute to a foreword for the Strategy to endorse their commitment to domestic abuse (see also AP1.6). Exploration for establishing a pooled fund for domestic abuse should also be undertaken to evaluate if this is a viable option for funding activities going forward.</p> <p>Priority: High</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>A foreword from partners will be added to the Strategy, as it has been in previous versions.</p> <p>The new structure and membership of the DA Board and Groups provides a strong chance for clearer ownership and contribution from agencies and the right people are in the right place to commit resources to actions where necessary.</p> <p>Wiltshire has a pooled budget and this can work, but if this is not possible in Swindon, then at the very least, there is a need to identify where separate pots of money are and how these will join together going forward.</p>	2	To be implemented as part of the Strategy Refresh in 2017

Current Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

NO	ORIGINAL RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE TO BE ACTIONED BY	CURRENT STATUS	MANAGEMENT UPDATE
1.	Risk Area: Domestic Abuse Strategy				
1.5	<p>The Strategy should be reviewed in the context of including more explicitly the following:</p> <ul style="list-style-type: none"> • Commitment to and actions relating to the wider VAWG remit. • Particular objectives, actions and priorities regarding minority groups that may be potentially affected by domestic abuse. • A clear priority for improving engagement with Schools and Colleges. • Victims and survivors (and where appropriate, perpetrators) should be given ample opportunity to inform the Strategy and ongoing domestic abuse priorities. Where this happens, this should be reflected clearly in the Strategy document. <p>Any update of the Strategy should be supported by a suitable publicity campaign aimed at key stakeholders to ensure they are aware of any changes / improvements made.</p> <p>Priority: Medium</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>The VAWG aspect of the Strategy is developing and the CSP and DA sub groups have a clear message that VAWG is a significant responsibility of the DA Strategy. This will be reflected in the refresh of the Action Plan, as above.</p> <p>Similar for minority groups; this is in the Strategy, but greater attention will be given to it in the new Action Plan in future.</p>	2	Work to be undertaken as part of the Strategy Review to be completed Sept 2017

Current Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

NO	ORIGINAL RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE TO BE ACTIONED BY	CURRENT STATUS	MANAGEMENT UPDATE
1.	Risk Area: Domestic Abuse Strategy				
1.6	<p>Upon refreshing the Swindon and Wiltshire Strategy to Reduce Domestic Abuse, the following additions should be considered for inclusion:</p> <ul style="list-style-type: none"> The risks to the achievement of Strategy objectives, along with the actions for how these will be mitigated. Reference to the role and structure of the Community Safety Partnership and subgroups. A foreword by a named lead officer / senior manager from each key agency that demonstrates an ongoing commitment to the Strategy (see also AP1.4). Progress and achievements made since (and due to) the previous Strategy. Contact details for where to raise a domestic abuse concern. The up to date Strategy should be available on the CSP website. <p>As above in AP1.5, any changes made should be suitably publicised to key stakeholders to maximise awareness of ongoing priorities.</p> <p>Priority: Medium</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>This will inform the health check of the Strategy when it is due to be refreshed in 2017, which is likely to be after April.</p> <p>It should be noted that the existing Strategy was also a refresh of the previous 2014-15 Strategy, which is why the documents are very similar. The key themes are all still relevant and so the difference in the detail should be in the action planning.</p> <p>The link to the new Strategy on the website has been raised in the past and will be followed up.</p>	2	To be considered as part of the Strategy Review. Sept 2017. All of the additions aside to be presented to the DA Board

Current Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

NO	ORIGINAL RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE TO BE ACTIONED BY	CURRENT STATUS	MANAGEMENT UPDATE
1.	Risk Area: Domestic Abuse Strategy				
1.7	<p>It should be verified with participants that they are satisfied with the roles and responsibilities of each group.</p> <p>Priority: Medium</p> <p>It should also be established whether schools / educational establishments should be represented on the Domestic Abuse groups. Victim representation should be secured where possible for inclusion at relevant Domestic Abuse sub-groups.</p> <p>Priority: Medium</p> <p>It should be discussed at Community Safety Partnership whether there should be any executive restrictions on the position of Community Safety Partnership chair, or if current arrangements are appropriate.</p> <p>Priority: Low</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>However, in regards to Schools, the attendance of the Director of Children Services is considered sufficient to represent the views of Schools, as the Head of Education is a direct report.</p> <p>The Head of Education can and will be invited to attend meetings as necessary.</p> <p>There are no immediate concerns with the Chair of the CSP. As the CSP is not a legal entity, having a Councillor as Chair provides profile for DA and ensures direct accountability into Cabinet.</p> <p>CSP will though be asked to reflect on this, to ensure this is still appropriate. In the past, the Chair has rotated between agencies and this can have its benefits, as can having an independent chair, as is the case at LSAB / LSCB.</p> <p>The Chair has already declared they will not be involved, to ensure the objectivity of the decision.</p>	1	New terms of reference for the DA Board revised and agreed December 2016

Current Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

NO	ORIGINAL RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE TO BE ACTIONED BY	CURRENT STATUS	MANAGEMENT UPDATE
1.	Risk Area: Domestic Abuse Strategy				
1.8	<p>The Domestic Abuse and VAWG Strategic Board should define their expectations of the QA function of the Domestic Abuse and VAWG Management and QA Group. Clear objectives and, where necessary, methodology for undertaking QA should also be discussed and decided upon.</p> <p>The Group's role in identifying and reviewing near misses should also be considered and defined.</p> <p>Priority: Medium</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>The Group have only met twice so far and are still finding their way and so this is to be developed.</p> <p>The Group will have a work programme in place to provide some structure for their QA role, that will include at least two 'deep-dives' of individual processes through the year.</p>	1	<p>Agreed as part of the new terms of reference for the DA Board and the new Community Safety Partnership governance arrangements. December 2016.</p>

Current Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

NO	ORIGINAL RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE TO BE ACTIONED BY	CURRENT STATUS	MANAGEMENT UPDATE
1.	Risk Area: Domestic Abuse Strategy				
1.9	<p>Consideration should be given to undertaking a SafeLives self-assessment or inviting another MARAC to undertake a peer review of Swindon's process.</p> <p>In addition, the MARAC Operating Protocol should be reviewed and updated, with specific consideration given to:</p> <ul style="list-style-type: none"> • The relationship with other processes (e.g. child protection planning), • Prioritisation of cases to ensure only the highest risk cases are being referred, • The Domestic Abuse and VAWG Management and QA Group's responsibilities for overseeing the performance of MARAC, in particular, establishing action to tackle high repeats (which should be incorporated in the Strategy where necessary). • Action planning in relation to perpetrators, • Responsibility for circulating case notes prior to meetings. <p>An updated Protocol should be circulated to members of MARAC to ensure understanding of the process and reduce any potential over-reliance on individual members.</p> <p>Priority: Medium</p>	<p>Community Safety Team Leader</p> <p>April 2017</p>	<p>Agreed</p> <p>This is integral to DA work and a refresh of the Protocol is in progress. Work has taken place to ensure the prioritisation of MARACs is robust. A recent dip sample of twenty repeat MARAC cases found that there were three that may not have met the criteria, which were then discussed with SafeLives, who subsequently agreed that these did.</p> <p>Admin within the Police now also provides a review of MARAC agendas prior to cases being heard at MARAC.</p> <p>For perpetrators, there are plans to introduce an 'Enforcement Officer' role to make full use of anti-social behaviour tools against serial perpetrators. However, this requires funding and potentially further capacity in Legal and so is still being developed.</p>	2	<p>Dip sample completed on MARAC March 2017. Peer review to be agreed once new MARAC Chair in post June 2017</p>

Current Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

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Internal Audit report – Transformation Programme

Audit Committee

Date: 4th April 2017

Author: Head of Internal Audit
Wards: None
Locality Affected: None
Parishes Affected: None

1. Purpose and Reasons

- 1.1 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating effectively.
- 1.2 Members requested that at least one individual audit report be presented to each meeting of the Committee. Audit Committee selected the Internal Audit report on the Council's Transformation that identified an 'of concern' level of risk to be presented to their April meeting.

2. Recommendations

- 2.1 It is recommended that the contents of the report be noted.

3. Detail

Background

- 3.1 By 2020, the Council has plans to deliver £66m of savings across three areas: Going Local, Building Resilience and Growing the Economy.
 - 3.2 The transformation work had been co-ordinated by the Head of Transformation and Corporate Programmes, reporting to the Head of Finance and Change. A number of enabling functions (Finance, ICT, HR and Change) support service areas in the delivery of the Council's transformation. Separate plans and savings targets are being developed for this work.
 - 3.3 The Head of Transformation and Corporate Programmes left the Council in May 2016. At the time of the audit, recruitment was underway for this post and a new post, Corporate Transformation Manager. Plans are being defined and it is intended to use an "agile" approach to deliver change initiatives.
 - 3.4 This audit was undertaken to provide assurance to the Chief Executive and Board Director: Resources that the risks involved with the Council's change programmes are being managed effectively and efficiently.
 - 3.5 Since the completion of the audit a Head of Transformation has been appointed.
-

Further information on the subject of this report can be obtained from Nick Hobbs, Direct Dial Telephone Number: 01793 463940, nhobbs@swindon.gov.uk.

Internal Audit report – Transformation Programme

Audit Committee

Date: 4th April 2017

Key findings

3.6 The key findings of the Internal Audit review were:

- The Council's maturity in change and transformation has increased significantly over the last 18 months. A new Vision has been published alongside four Council priorities that align well to the Council's strategic context (i.e. increasing demand for services and significantly reducing central government funding and changing funding model). The Council Plan 2016 to 2020 identifies high-level actions required to deliver the vision and 30 pledges or outputs that will be delivered as part of this. There has been significant investment in change over the last 18 months and the Council's capability and capacity to change has been greatly enhanced as a result.
- The Change Programmes for 2015/16 delivered significant outcomes and savings. A balanced budget position has been consistently achieved, as a result of significant savings delivered each year.
- There has been an unprecedented level of change in the Council, including the transfer of Leisure services and insourcing of ICT services from Capita, insourcing of Learning Disability services from SEQOL and the transfer of the majority of Swindon Commercial Services back to the Council from its status as an arms-length commercial organisation.
- The Council is currently reviewing what has been achieved from the 2015/16 change programmes and is re-defining change activity from 2016 to 2020. It has analysed and has defined the financial challenges it needs to meet. Associated savings targets have been allocated across three themes, to deliver through Going Local, Building Resilience and Economy. An additional plan and savings targets is also being prepared for the Enabling function.
- The Council is going to need to fundamentally change the way in which it works and the services it provides to meet budget challenges to 2020. There are a number of areas identified in this report that the Council will need to address if the Vision is to be delivered and savings achieved.

Key recommendations

3.7 Key recommendations made as a result of the review are as follows:

- The Council's senior leadership cohort needs to agree on a clear direction for change and unite behind this direction to ensure the organisation works effectively and collaboratively towards shared goals. This will require an approach that balances conflicting needs, for example delivering savings in line with required timescales, balancing delivery of both financial and non-financial benefits and ensuring an appropriate approach to engagement is taken in relation to issues being addressed.
- The Council should design and deliver a leadership development programme to help support achievement of wider organisational change.

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Internal Audit report – Transformation Programme

Audit Committee

Date: 4th April 2017

As part of this programme, it should define the leadership behaviours, qualities and capabilities that are required to deliver the various elements of the Council Plan and carry out analysis to determine where further recruitment or staff development is necessary. The Council should ensure that collaborative, distributed leadership principles are included in the design of the leadership programme, to help promote innovation, collaboration/systems-thinking and to increase organisational capability and capacity.

- Work to produce the organisational blueprint should be prioritised to ensure the foundations to inform the new phase of change programme definition and design are in place. As part of re-invigorating and rebuilding momentum behind change, the Council should revisit governance arrangements for programmes to ensure that they are fit for purpose. The Council will need to review progress against existing change programmes and determine next steps to define, design and deliver the next phase of change programme delivery. To support this, the Council should seek to re-establish agile, proportionate governance arrangements for programmes based on the level of risk, including:
 - Re-introduction of an effective sponsoring body to direct, monitor and control change programmes, throughout programme lifecycles.
 - An effective process of benefits realisation management that ensures both financial and non-financial benefits are reported and reviewed.
 - Finalising, publishing and cascading a change methodology, to ensure a consistent, minimum standard of governance and process across programmes.
- Alongside the leadership development programme in the Council, a cultural development programme should be introduced, to ensure the Council's culture is aligned to and supports delivery of the Vision and Plan. The programme would need to be wide ranging, but areas of initial significant focus would include:
 - Moving from silo based planning and delivery and introducing a more "system-thinking" based approaches
 - Addressing issues with staff compliance with organisational requirements
 - Developing leadership and management cultures that work in a proactive and collaborative way.
- The Council should produce a resourcing plan for the next 12 months for change, identifying internal and external resources required to deliver programmes and projects and securing resources accordingly. This should include enabling functions, for example ICT support. Different types of change are likely to require different types of support at different times (e.g. specialists vs. more generic change/programme/ project support). Agile

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Internal Audit report – Transformation Programme

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resource management principles will need to be used to allocate available resources over a number of programmes projects occurring at the same time. This will require central oversight, so that activities can be prioritised and resources allocated appropriately, especially if competing requests for resources are made. This should form part of the role of the sponsoring group recommended in the report.

- 3.8 The report was finalised in November 2016 and is attached as Appendix 1. An update on the implementation of recommendations has been provided by the Head of Transformation. Additional audit testing has not been carried out since the original review.
- 3.9 The Head of Transformation will be at Audit Committee to answer any questions that Members may have.

4. Alternative Options

- 4.1 Not Applicable

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no direct financial implications arising from this report however the detailed audit report addresses the suitability of internal controls within the systems examined

Legal and Human Rights Implications

- 5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2015. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 None

Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 Effective systems of internal control within the Council will help to ensure that the Council's corporate objectives and those set out in One Swindon are achieved.

Diversity Impact Assessment

- 5.5 Not Applicable

Further information on the subject of this report can be obtained from Nick Hobbs, Direct Dial Telephone Number: 01793 463940, nhobbs@swindon.gov.uk.

Internal Audit report – Transformation Programme

Audit Committee

Date: 4th April 2017

Risk Management

5.6 Not applicable

6. Consultees

6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

7.1 None

8. Appendices

8.1 Appendix 1 – Internal Audit report: *Transformation Programme* (November 2016)

8.2 Appendix 2 – Management update provided regarding implementation of recommendations (March 2017)

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Transformation Programme

November 2016
(FINAL)

Swindon Internal Audit Services: Transformation Programme

Contents and Distribution

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Report Distribution – Final report issued on 8th November 2016 to:

Corporate Management Team

Jan Willis	Interim Corporate Director Resources
Rob Brown	Head of Transformation
Patrick Weir	Head of Localities, Community Involvement and Volunteering
Sam Mowbray	Head of Performance, People and Engagement
Glyn Peach	Chief Information Officer

Auditor:

Simon Phillips	Principal Auditor
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Swindon Internal Audit Services: Transformation Programme

Executive Summary

Background

This audit was undertaken to provide assurance to the Chief Executive and Board Director: Resources that the risks involved with the Council's change programmes are being managed effectively and efficiently. The Board Director: Resources has requested a gateway-style review, to independently appraise change programme progress to date and determine readiness to enter the next phase of delivery.

By 2020, the Council has plans to deliver £66m of savings across three areas: Going Local, Building Resilience and Growing the Economy. The transformation work had been co-ordinated by the Head of Transformation and Corporate Programmes, reporting to the Head of Finance and Change. A number of enabling functions (Finance, ICT, HR and Change) support service areas in the delivery of the Council's transformation. Separate plans and savings targets are being developed for this work. The Head of Transformation and Corporate Programmes left the Council in May 2016. At the time of the audit, recruitment was underway for this post and a new post, Corporate Transformation Manager. Plans are being defined and it is intended to use an "agile" approach to deliver change initiatives.

Audit Opinion

The impact and materiality of the Transformation Programme is considered **high** and combined with the Auditor's opinion that **significant improvements are required**, gives an overall risk assessment to the Council of "**of concern**".

Key Messages

The Council's maturity in change and transformation has increased significantly over the last 18 months. A new Vision has been published alongside four Council priorities that align well to the Council's strategic context (i.e. increasing demand for services and significantly reducing central government funding and changing funding model). The Council Plan 2016 to 2020 identifies high-level actions required to deliver the vision and 30 pledges or outputs that will be delivered as part of this. There has been significant investment in change over the last 18 months and the Council's capability and capacity to change has been greatly enhanced as a result.

Swindon Internal Audit Services: Transformation Programme

The Change Programmes for 2015/16 delivered significant outcomes and savings. A balanced budget position has been consistently achieved, as a result of significant savings delivered each year.

Officers and Members have worked extremely hard to achieve an unprecedented level of change in the Council, including the transfer of Leisure services and insourcing of ICT services from Capita, insourcing of Learning Disability services from SEQOL and the transfer of the majority of Swindon Commercial Services back to the Council from its status as an arms-length commercial organisation.

The Council is currently reviewing what has been achieved from the 2015/16 change programmes and is re-defining change activity from 2016 to 2020. It has analysed and has defined the financial challenges it needs to meet. Associated savings targets have been allocated across three themes, to deliver through Going Local, Building Resilience and Economy. An additional plan and savings targets is also being prepared for the Enabling function.

The Council is going to need to fundamentally change the way in which it works and the services it provides to meet budget challenges to 2020. There are a number of areas identified in this report that the Council will need to address if the Vision is to be delivered and savings achieved. There is consensus across the senior management cohort that developing current leadership capacity, capability and consistency throughout the organisation will be fundamental to support the successful delivery of change.

In particular the following areas for consideration have been raised during this audit review and will need to be addressed by the Council's leadership cohort:

a) Pressure to deliver savings and impact on management of change

- The Council has needed to respond to considerable financial pressures since 2009/10. A close relationship between Finance and Change has rightly been established as substantial savings have needed to be delivered through change activity. Arguably, the financial context has been the single most significant driver of change in recent years.
- Departments have responded well to the pace of savings required to balance the Council's budget. Prior to the 2015/16 change programmes, from "Stronger Together" programmes and other activities, the Council delivered £83m of savings from existing budgets, including over 500 post deletions. If the Council had not delivered savings at this pace, it would not have met the requirements of the Local Government Finance Act, to set a balanced annual budget.
- The financial situation to at least 2020 remains significantly challenging. In addition to savings already delivered, a funding gap of £66m has been projected between financial years 2016/17 to 2019/20. Therefore, the need for continued focus on finance and delivering savings at pace through change activities remains in place.

Swindon Internal Audit Services: Transformation Programme

- However, a number of officers who were responsible for the delivery of 2015/16 change programmes felt that the focus on finance has resulted in what the Council needs to save financially taking priority in delivering change and that focus on the delivery of wider, non-financial benefits and outcomes for service users through change activities has reduced.
- In addition, some officers interviewed felt that the required pace of delivery of savings has contributed to a change approach that is sometimes characterised by a rush to deliver at an uneven pace, with a lack of sufficient engagement and planning. Other officers stated that the pressure to deliver meant that there was limited time to “see the big picture” before starting work and applying the most appropriate approach to the delivery of change, including management of stakeholders.
- As a result of this, some officers felt that not enough work was undertaken at the outset of some projects to comprehensively identify stakeholders and then collaboratively define the problems to be solved and solutions to these problems, to build a body of support for changes that would otherwise not be welcomed by residents and service users.
- Some officers would like to see a change method that sets minimum requirements around the definition and design phases of a change initiative, and for there to be agile, proportionate governance process in place to ensure these minimum standards have been sufficiently met, before moving to the next programme phase. Prior to leaving the Council, the previous Head of Transformation and Strategic Programmes was working with Corporate Management Team to define an agile change methodology, to ensure that a consistent approach was in place and minimum standards of governance were defined in relation to change programmes. Unfortunately, this officer left before the methodology was finalised. As a result, the Council does not have an agreed change methodology that sets minimum standards for planning, approval and delivery of change.
- There is currently a tension between the need to deliver change and related savings at pace and the need to carry out detailed engagement and consultation around complex issues. A view from some managers is that more time needs to be spent in the definition and design phases of change initiatives, including ensuring that sufficient insight is gathered into a problem and that collaboration and consultation takes place. This is difficult to achieve when the need to deliver savings in line with projected shortfalls is so great.
- Both views are legitimate and are relevant to the strategic context the Council is operating in, where significant savings are required, but the level of change required is complex, potentially unpopular and difficult to define/design. However, there is not agreement across senior management in the organisation in terms of how the balance between these issues should be set.
- Teams are working hard to deliver change on an ongoing basis, but, initial momentum behind the change programmes from the corporate centre has been lost, partially due to disagreements over how best to approach and deliver change but also due to the resignation of the Head of Transformation and Strategic Projects.

Swindon Internal Audit Services: Transformation Programme

- The Council needs to unify leadership and address these issues and rebuild momentum for change across the organisation. If it does not, it is likely the Council will not deliver sufficient change in time to address continually growing financial pressures.
- Corporate Management Team therefore need to urgently agree a direction going forward, which is committed to by all and which should then be formalised in agreed change methodology and be applied to initiatives going forward.

b) Other considerations

- The Council has not yet produced an organisational blueprint. The organisational blueprint gives a detailed description of the required future state of the organisation and a detailed description of the organisation's current state, analysing the gap between future and current states and actions required to move between these. This will help with both planning for change and being able to communicate a tangible vision of change to the organisation's stakeholders.
- An agile approach has been applied to programme governance processes to ensure unnecessary administrative burdens are removed from the management of the delivery of change initiatives. The sponsoring body (the Stronger Together Executive) met in 2015/16 to direct and control change programmes within tolerances set by Corporate Board and Cabinet. However, this Board has been described by officers as "fizzling-out" part-way through the year. Some senior managers have stated that they do not feel there is sufficient corporate co-ordination and governance of change and that there is not sufficient information to direct, control and work collaboratively across change programmes. Officers interviewed do not want to return to onerous, bureaucratic processes for planning, monitoring and reporting on programmes and projects, but would like to see governance arrangements revisited to identify and ensure a workable set of governance requirements are in place to guide and set minimum standards for officers and programmes to work to.
- Corporate Management Team, Leader's Advisory Group and Cabinet are currently operating in a rapidly changing, complex environment. Views given by senior managers during the audit suggest that there are opportunities going forward to continue to develop relationships within and between these bodies, to ensure greater parity in areas of organisational direction, planning and decision making.
- A number of cultural issues in the organisation that may affect delivery of change have been raised by officers, a number of which have been raised in previous, similar audit reviews. The organisation's tendency towards reactive, crisis management, perceived continued silo-working rather than a culture of applying systems-thinking approaches to issue resolution and non-compliance of staff with policies and organisational requirements have been stated as potential barriers to changing the way the Council works and delivers services.
- To meet the Council's vision for 2020, staff will need to change the way they work, in line with the new organisational Values and Behaviours. However, historically the rate of completion of appraisals has been low and relates to the point made in

Swindon Internal Audit Services: Transformation Programme

relation to a culture of staff non-compliance with organisational requirements mentioned above. Without this key mechanism in place to set expectations and objectives for staff in terms of *how* they work, it is unlikely the new values will be embedded and generate the type of cultural change required to deliver the Council's new vision. This will be a mechanism that will also help "explicate" the vision to staff throughout the organisation i.e. it will help make the vision real and meaningful to staff, through clear objective setting for individuals related to business plans.

- Capacity in the organisation has been raised as a key concern by all staff interviewed during this review. They felt that the organisation is overloaded at all levels, with a tension between business as usual requirements and the ability to devote resources to change.
- Several officers have stated that they feel the Council leadership approach is too top-down, that there is too much "push" to departments to deliver change, rather than "pull" from service areas to take ownership of change. Officers have stated that there are opportunities to motivate, develop and empower staff to identify, own and deliver change from the bottom-up. Concerns have been raised that there are a number of single points of failure in the organisation, especially in relation to leaders and senior officers. A lack of succession planning is a risk that has been mentioned by a number of officers. There is a desire to introduce a more distributed model of leadership in the organisation to address these issues among senior managers, which will also have the benefit of freeing senior manager's time to focus on more strategic issues, but significant work, new capacity and skills will be needed to develop and embed this model of leadership as part of a co-ordinated leadership development programme. The Council needs to ensure that it has the right resources, capacity and skills to lead and support change at all levels of the organisation.
- Some officers have commented that they would like to see more frequent communication of organisational success and progress, to build momentum and enthusiasm in staff around change.

Swindon Internal Audit Services: Transformation Programme

Context

In June 2011 the Council started its “Stronger Together” transformation programme, and restructured into three key pillars; Commissioning, Service Delivery and Localities, along with an enabling support function.

As part of this change, new ways of working were proposed to address the costs and pressures related to rising demand for services and significant reductions in central government funding. Work was organised into six change programmes that were focused on delivering more sustainable, focused services.

A high level review of Stronger Together progress was undertaken by the Council's Corporate Board (now Corporate Management Team) in February 2015. From this work, it was agreed that three themes for Stronger Together would be developed throughout 2015/16. These would be delivered through ten refocused change programmes. During 2015/16 the Council's 2020 Vision was developed, agreed and communicated to staff and stakeholders, addressing the Council's strategic context and confirming and communicating the Council's strategic direction. The Council Plan, which consolidates the Vision, Council's Priorities and Pledges for Delivery, was published in June 2016. Refreshed roles for key programme structures, boards, teams and personnel were agreed (including the Council's Enabling functions) and outcomes for the ten change programmes' were developed and agreed.

In 2016/17, work has been undertaken to consolidate the 2015/16 change programmes into a “total transformation approach”, to deliver an organisation that is financially sustainable over the long-term and is able to deliver the vision and Council Plan for Swindon by 2020.

The Council has analysed its medium term financial context and projected a funding gap to 2020 of £66m. Three themes of work have been identified to deliver the £66m of savings under – Going Local, Building Resilience and Economy. An additional plan and savings targets for “enabling” functions is also being produced.

The Corporate Director: Resources has requested a gateway-style review, to independently appraise change programme progress to date and determine readiness to enter the next phase of delivery.

Swindon Internal Audit Services: Transformation Programme

Risk Areas Examined and Findings

In accordance with best practice, a risk-based approach was adopted that identified the key risks to the business objectives and those mitigating actions/controls that should be in place. The auditor then assessed the effectiveness of the mitigating controls through examination of relevant documents, procedures and detailed testing.

The key risks to the achievement of the business objectives were discussed and agreed with the Chief Executive, Board Director Resources and Head of Finance and Change before the commencement of the audit. The table below summarises the Risk Areas examined during the review and provides an assessment of the adequacy of controls in place for each area of risk examined:

Risk Area Examined and Findings	Audit Conclusion
<p>Risk: Vision, Priorities, Plans and Direction</p> <ul style="list-style-type: none"> The strategic context and medium-term financial position for the Council has been identified, well analysed and is set out clearly in the Council Plan to 2020. The Vision, Priorities and Pledges are an appropriate response to the strategic context outlined. These include principles from Stronger Together that remain relevant to the current challenges facing the Council, including strategic commissioning and collaborative working. The funding gap to 2020 has been identified, along with additional likely cost pressures that have been identified in year, relating to Adult and Children services and Public Power Solutions. Change programme activity in 2015/16 was well aligned to this strategic context and has allowed the Council to balance its budget for another successive year, despite ongoing funding reductions and significant demand pressures. However, the organisation has not yet produced an organisational blueprint. The organisational blueprint gives a detailed description of the required future state of the organisation and a detailed description of the organisation's current state, analysing the gap between future and current states and actions required to move between these. This will help with both planning for change and being able to communicate a tangible vision of change to the organisation's stakeholders. Definition work for the change programmes is underway for 2016 to 2020. Building on lessons learned from the 2015/16 change programmes, work has been split into three themes: Going Local, Building Resilience and Economy. A detailed direction of travel/road map has been published for Place, that includes planned actions, outcomes, attached savings and a high level assessment of resources required. A further area, Enabling, is currently being scoped and will help other service areas to develop and modernise services, and deliver associated cost savings (for example greater use of technology and digital services). Savings required to meet the identified funding gap have been apportioned to the three themes. Outstanding deliverables from 2015/16 are being appraised as the change programmes transition into these new themes and programmes of work. 	<p>Satisfactory</p>

Swindon Internal Audit Services: Transformation Programme

- The three themes and enabling work are at different stages of definition. Although high level plans are in place, more detailed definition work will be required, in line with new “agile” principles that are starting to be applied to the Council’s way of working. The detailed planning will need to reflect the additional £5.4m to be found in 2016/17 and any additional recurring pressures in future years.
- Significant investment has been made into communicating the Vision to stakeholders, including staff and residents. This includes an event to launch the Vision, all-staff briefing sessions and higher profile communication of the Vision through digital and physical marketing campaigns.
- The Council Plan also now clarifies the links between the Council’s strategic context, the vision, the priorities and pledges. Recent staff survey results (undertaken before the launch of the Council Plan) suggest that, although knowledge and understanding of the Vision is significantly improved, more needs to be done to make the Vision relevant and meaningful to staff and to increase staff engagement with change.

Risk: Leadership

- Leadership development is part of the proposed Enabling programme, under the People work stream. The Council has not yet defined required skills, capabilities and behaviours of its leadership cohort and how these will be measured and appraised.
- It has also not formally defined the type of leadership model that will best support the change the Council is trying to deliver and what needs to be done to ensure this is put in place. There are a number of examples of collaborative management practice starting to emerge in the Council, including leadership team away days and good examples of service areas working together in relation to identified issues, for example supported living work between Social Care, Housing Design and Localities teams.
- A formal strategy in relation to establishing a collaborative, distributed leadership model, that emphasises collaboration around problem solving and governance and working outside of traditional hierarchies, would be beneficial to develop, along with clear plans for implementation and review.
- By delivering a leadership development programme across all levels of the Council, there are opportunities to develop and improve the calibre of staff who show potential to act in leadership roles, which will also help to address succession planning and single point of failure risks in the leadership cohort.
- The current Swindon Manager development programme provides a useful specification for management competencies required at the most fundamental level. This will form the basis of a wider leadership development programme that will take managers and leaders beyond the fundamentals required, to enable staff to lead and enable change.
- Strong, unified, collaborative, and distributed leadership is required to deliver complex and significant change in an organisation. Several senior managers have described a senior management culture that is not always sufficiently unified or consistent in its view of some key elements of change.

**Significant
improvements
required**

Swindon Internal Audit Services: Transformation Programme

Risk: Change Methodology

- The Council has invested significantly in change over the last 18 months, recruiting a Head of Transformation and Corporate Programmes, resourcing a programme and project management, and recruiting into change lead and support roles. These staff have worked in the corporate centre and alongside service area senior management teams. This dedicated change support; coupled with considerable effort from staff at all levels has helped change projects move forward in 2015/16.
- Throughout 2015/16 the Council has trialled a number of different approaches to change and programme project management to deliver outcomes. Lessons learned reviews have been carried out by programme teams as programmes have moved into 2016/17 (for example for the Cultural and Community Assets programme), with a view to developing a consistent, minimum standard of change management, to coordinate and control each stage of change in key areas, from definition to delivery of change, through to making change sustainable. An outline of a change method was produced by the previous Head of Transformation and Corporate programmes, but has not been developed further.
- Lessons learned from the programme reviews highlight the need for:
 - A detailed definition stage, using sufficient evidence and analysis to determine the right approach, pace, roles and team.
 - Designing the appropriate engagement and stakeholder management approach throughout the foreseeable phases and ensuring that a collaborative approach is taken to issue definition and problem solving. Being brave enough to build a narrative with key stakeholders as part of the engagement process.
 - Correctly resourcing, empowering and energising teams to drive forward delivery.
 - “Getting on the front foot and staying there”, in contrast to some managers comments that it feels like we have delivered outputs/outcomes by “the seat of our pants” at a sometimes rushed, uneven pace.
- Managers interviewed expressed a need not to have overly bureaucratic change processes, especially when capacity is scarce and time pressures are significant. However, a number of managers interviewed did state that a proportionate change method, with consistent minimum standards for the definition, design, delivery and sustaining phases of change would be beneficial, providing clear expectations, consistency and sustainable processes, to help address issues identified in previous projects.
- Some officers also highlighted the potential benefit of an overall sponsoring-body periodic review of change initiatives against a standard change methodology, to ensure minimum standards had been met and to provide constructive challenge and collaborative support before moving to the next project phase.

**Significant
improvements
required**

Swindon Internal Audit Services: Transformation Programme

Risk: Programme Governance and Management Arrangements

- At the definition phase of the 2015/16 change programmes, programme governance arrangements were established. This included a sponsoring body (the Stronger Together Executive), formal allocation of programme roles to officers and members along with a specification of roles and examples of good practice in those roles. A defined process for the sponsoring body to govern change initiatives, including agreeing benefits and investment, co-ordinating independencies, agreeing stakeholders and risks, holding teams to account for delivery, etc. was also included.
- Governance arrangements for programmes below this level have consciously been left to the discretion of service areas to design, to develop ways of working that are appropriate to the work and nature of services subject to change.
- The Stronger Together Executive has been on hold for a number of months now and reporting of progress and risks/issues arising on programmes is on an exception basis to Corporate Management Team. As part of this process, the previous Head of Transformation and Corporate Programmes would regularly liaise with Programme Managers and help to address risks and issues, communicating with various SBC stakeholders.
- A number of senior managers interviewed during this review did not want to return to overly bureaucratic governance and reporting processes for programmes, projects and change initiatives and welcomed an agile approach, but not all felt there was currently enough visible co-ordinated, cohesive corporate governance in place.

**Significant
improvements
required**

Risk: Culture, Values and Behaviours

- The majority of officers interviewed felt that changing organisational culture, values and behaviours would be critical to the Council successfully delivering the Vision and Council Plan. New values that emphasise collaboration, resilience, building capacity in communities, innovation, acceptance of change and putting Swindon and its people at the heart of everything we do. In this way the values align well to the original vision for Stronger Together and the direction of travel required to deliver the current Vision. However, there are potentially entrenched issues to address in terms of the current culture, for example a culture of non-compliance with corporate policies and mandatory requirements. An example of this was the relatively simple mandatory requirement to complete information security training by a certain date. Significant proportion of the organisation's staff, including senior managers who should be leading by example, had not completed the training by the required date.
- Setting clear objectives and expectations around values and behaviours during the appraisal process and at follow-up 1:1 sessions will be a key mechanism by which the new values and behaviours are cascaded to staff. However, historically the completion rate of appraisals has been low. Unless this is resolved it is unlikely the Council will be able to change the way it works in a meaningful and sustainable way.

**Significant
improvements
required**

Swindon Internal Audit Services: Transformation Programme

Risk: Capacity, Capability, Roles and Resources

- Although the Council has invested heavily in change, there is a finite resource within the organisation to deliver change as well as business as usual requirements.
- The Council has been under sustained pressure for a number of years, with many competing demands for staff time, including bringing ICT, Swindon Commercial Services and services from SEQOL back into the Council as well as balancing the budget in extremely challenging circumstances.
- Allocation of resource in 2015/16 and 2016/17 has been targeted to the areas that will produce the most significant financial savings, for example parishing the borough and the transfer of Streetsmart services.
- Examples have been given of lack of senior management and middle management capacity to lead and deliver change at the same time as business as usual activities. Where additional change resource has been allocated to service areas, especially to support senior management teams, this has been recognised as highly beneficial and created strong links between service areas and the corporate change team, to enhance the governance and management of change.
- At present, some key Change roles are vacant, including the Head of Corporate Transformation and Corporate Transformation Manager. Prior to the previous Head of Transformation and Corporate Programmes departure, a structure for the Change and Programme teams was in the process of being developed, along with plans for building capacity in specific service areas (e.g. Children's and Adults services).
- There is potential for some functions and roles to overlap in enabling functions, for example organisational development and change, which have the potential to be planned, resourced and delivered by both Human Resources and the Change teams. The Council will need to ensure roles and responsibilities between enabling functions are clearly defined.
- It would be beneficial to ensure roles, resources and capabilities are identified and developed/recruited/implemented prior to progressing further with programmes, to avoid needing to fit these retrospectively during the delivery phase.

**Significant
improvements
required**

Swindon Internal Audit Services: Transformation Programme

Risk: Deliverables

- The Council has delivered a significant amount of change in the last 18 months, using scarce and reducing resources. The strategic direction of the Council has been set, the Council Plan with supporting Vision and priorities has been produced, the budget has been balanced each year and there have been significant ongoing contributions to the Council's transformation fund to further invest in change. Savings obtained in service areas have been considerable, for example approximately £5.7m in Adult Social Care in 2015/16, although the budget did overspend by £667,000, due to pressures arising in other areas. Successful initiatives in Adults services, such as use of "Link Workers" in place of qualified social workers to provide lower level support have been successfully trialled and implemented.
- Workforce development in Children's services has seen a reduction in Children's social worker vacancies, some improvements in ICT, development of social worker competencies, revised policies and processes in Care and Placements and progress to staff and deliver the Multi-Agency-Support Team (MASH).
- Considerable work to parish the borough has been ongoing for two years, with a number of consultation exercises and pilots supporting the process throughout. As a result of this, the Council is working to ensure a number of services are provided by Parish Councils throughout the borough from 1st April 2017.
- The Council has brought back a failing ICT service from Capita in February 2016, which is already starting to show improvement in performance. Similarly the majority of Swindon Commercial Services has successfully transitioned back to the Council. The Learning Disability service has been transferred from SEQOL back to the Council and the process for consultation around a new proposed plan for library service provision has begun.
- Deliverables from the 2015/16 change programmes still remain, but the Council is now using the opportunity to reflect, to redefine its change programmes and align activity to the financial challenge it currently faces to 2020 and beyond.

High standard

Overall Opinion

Materiality and Impact: At present, the Council relies significantly on Central Government to partly fund its services through the Revenue Support and other grant funding. This method of funding Local Authorities is expected to be withdrawn completely by 2020, resulting in Council services becoming fully funded from council tax, business rates and local charges in future.

Forecasts in cost pressures and council tax income receipts suggest that, if there are no changes in the way services are provided, the overall pressure on the Council budget will be between £70m to £80m over the next four years.

The Council's current transformation agenda will be crucial to ensure that the Council will become a sustainable organisation that is in control of its funding sources and is living within its means by 2020. The materiality of the transformation programme is therefore **High**.

Swindon Internal Audit Services: Transformation Programme

The Transformation Programme will also be instrumental in delivering the objectives set out in the Council's Vision and Plan to 2020. Its impact is therefore considered **High**.

Opinion on system controls: Significant improvements required (see Appendix A) i.e. the auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.

Overall Assessment of Risk: the combination of the medium impact of the system, along with the opinion on the system controls gives an overall risk assessment to the Council as being **of concern**:

		MATERIALITY AND IMPACT		
SYSTEM CONTROL		High	Medium	Low
1	High standard	Moderate	Minimal	Minimal
2	Satisfactory	Moderate	Moderate	Minimal
3	Significant improvements required	Of concern	Moderate	Moderate
4	Fundamental weaknesses identified	Significant	Of concern	Moderate

Swindon Internal Audit Services: Transformation Programme

Action Plan

The purpose of this action plan is to provide a summary of the matters arising during the audit of the council's Transformation Programme, together with the recommendations to mitigate risks, the manager's response to the recommendations, along with the officer responsible and timescale for implementation. In order for you to identify the most significant matters arising, which affect the reliance that can be placed on the controls reviewed, the recommendations have been prioritised.

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<i>Risk: Change Leadership</i>			
1.1	<p>Successful change requires senior management to be united, to ensure that efforts are aligned and momentum for change is maintained. Several senior managers interviewed during the audit have commented that the culture of senior management has not always been consistent and working in the same direction.</p> <p>As a result, momentum for change at the corporate centre has reduced in 2016/17.</p> <p>This loss of momentum has been exacerbated by the resignation of the Head of Transformation and Strategic Programmes and continued vacancies in this area.</p> <p>Working to develop unified leadership in relation to change will help rebuild momentum and create an effective environment to address the other issues/opportunities identified in this report.</p> <p>There is also an opportunity to develop greater parity of direction, planning and decision making between the Leader's Advisory Group, Cabinet and Council senior management teams, some officers feel would benefit effective change programme definition, design and delivery.</p>	<p>The Council's senior leadership cohort needs to agree on a clear direction for change and unite behind this direction to ensure the organisation works effectively and collaboratively towards shared goals.</p> <p>This will require an approach that balances conflicting needs, for example delivering savings in line with required timescales, balancing delivery of both financial and non-financial benefits and ensuring an appropriate approach to engagement is taken in relation to issues being addressed.</p> <p>It is possible that, with budget pressures and constrained timescales to deliver change, the Council will not balance all elements of change equally. Therefore a solution that best fits the Council's environment should be determined and supported once agreed.</p> <p>At the same time, opportunities to enhance parity of direction, planning and decision making between the Leader's Advisory Group, Cabinet and Council senior management teams should also be explored.</p> <p>Priority: High</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>December 2016</p>	<p>Agreed. This report will be tabled at CMT for discussion and agreement will be reached on the Council's future approach to transformation.</p> <p>Work will also be carried out to produce the organisational blueprint, and roadmap to 2020 which will be required to inform key decisions that will need to be made and any review of what is currently in programmes. The new Head of Transformation is due to start in October 2016 and this will be one of his key tasks.</p> <p>We will work with members to firm up member governance, including lead member arrangements and championing of change.</p>

Swindon Internal Audit Services: Transformation Programme

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<i>Risk: Change Leadership</i>			
1.2	<p>Ensuring effective change leadership capability and capacity is in place will be critical to the successful delivery of the Council's vision, priorities and pledges.</p> <p>The need for leadership development to support delivery of change was recognised as part of the Council's definition of the 2015/16 change programmes, to form part of a People Strategy for the organisation. This strategy has not yet been produced.</p> <p>However, basic guidance on managing through change at a tactical/operational level has been published, as part of the ongoing Swindon Manager work. It is intended this will become part of a full leadership and management development programme.</p> <p>Taking direction from the new Council plan, the Council is looking to fundamentally change the services it provides and the way in which it works. This is likely to require an environment where spontaneity, creativity and initiative are fostered and encouraged in staff, along with greater collaboration between departments and individuals.</p> <p>Distributed leadership is one particular model that aligns well to principles of collaboration, including fostering innovation and increasing organisational capability and capacity. All these areas are relevant to effective delivery of change in the Council's current environment, i.e. an environment where complex change is imperative, but resources are constrained.</p> <p>By moving outside hierarchies and traditional structures, it also aligns well to the more "agile" way of working the Council is currently piloting.</p>	<p>The Council should design and deliver a leadership development programme to help support achievement of wider organisational change.</p> <p>As part of this programme, it should define the leadership behaviours, qualities and capabilities that are required to deliver the various elements of the Council Plan and carry out analysis to determine where further recruitment or staff development is necessary.</p> <p>The Council should ensure that collaborative, distributed leadership principles are included in the design of the leadership programme, to help promote innovation, collaboration/systems-thinking and to increase organisational capability and capacity.</p> <p>This should extend to collaboration with external organisations, to ensure that relevant learning from peers and other relevant organisations can be brought into the Council and benefit planning and delivery.</p> <p>Priority: High</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>December 2016</p>	<p>Interim Resources Manager: Agreed. The need for a Cultural and Leadership work stream has been established and is currently being developed.</p> <p>Change must be owned and driven internally and the Council's extended leadership team will be engaged to deliver this.</p> <p>Head of Performance, People and Engagement: Agreed. This is planned for the new year and there is a particular strand of the new Transformation programme devoted to it. We are well advanced with the research and planning of the programme and do intend to work with external partners including an education provider.</p>

Swindon Internal Audit Services: Transformation Programme

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
2	<i>Risk: Vision and Organisational Blueprint</i>			
2.1	<p>The organisation has not yet produced an organisational blueprint. The organisational blueprint gives a detailed description of the required future state of the organisation and a detailed description of the organisation's current state, analysing the gap between future and current states and actions required to move between these.</p> <p>This will help with both planning for change and being able to communicate a tangible vision of change to the organisation's stakeholders.</p>	<p>Work to produce the organisational blueprint should be prioritised to ensure the foundations to inform the new phase of change programme definition and design are in place.</p> <p>Priority: High</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>November 2016</p>	<p>Agreed. A tender process is underway to appoint an appropriate partner to produce the organisational blueprint at pace.</p>

Swindon Internal Audit Services: Transformation Programme

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
3	<i>Risk: Governance of Change</i>			
3.1	<p>There are a number of areas of programme governance that need to be revisited and refreshed to ensure there are effective mechanisms to support delivery of change.</p> <p>Some senior managers have stated that they do not feel there is sufficient corporate co-ordination and governance of change and that there is not sufficient information and reporting to not only direct and control but also work collaboratively across change programmes.</p> <p>The-introduction of a sponsoring body such as the Stronger Together Executive, with refreshed clear and appropriate terms of reference and membership, would help achieve this.</p> <p>This would also provide an opportunity to review the Council's approach to benefits realisation management, as there are concerns that focus on the delivery of wider, non-financial benefits and outcomes for service users through change activities has reduced</p> <p>By revisiting and finalising the Council's change methodology, the Council also has an opportunity to set consistent minimum standards and principles for defining, designing, delivering and sustaining change, to help secure outcomes with consistent, but proportionate direction and control.</p>	<p>As part of re-invigorating and rebuilding momentum behind change, the Council should revisit governance arrangements for programmes to ensure that they are fit for purpose.</p> <p>As a continuation of the work on Place carried out earlier this year, the Council will need to review progress against existing change programmes and determine next steps to define, design and deliver the next phase of change programme delivery.</p> <p>To support this, the Council should seek to re-establish agile, proportionate governance arrangements for programmes based on the level of risk, including:</p> <ul style="list-style-type: none"> • Re-introduction of an effective sponsoring body to direct, monitor and control change programmes, throughout programme lifecycles. • An effective process of benefits realisation management that ensures both financial and non-financial benefits are reported and reviewed. • Finalising, publishing and cascading a change methodology, to ensure a consistent, minimum standard of governance and process across programmes. <p>Priority: High</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>December 2016</p>	<p>Agreed – a new sponsoring board will be established that will have appropriate membership, sitting between individual programmes and Corporate Management Team.</p> <p>Other governance arrangements will be refreshed, including ensuring there is an effective PMO to manage interdependences between programmes, appropriate risk and reporting arrangements, a defined change model and appropriate communications to stakeholders. T</p> <p>The need for appropriate benefits management processes is recognised and this will be a task for the new Head of Transformation, along with development and implementation of an appropriate change methodology.</p>

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Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
3	<i>Risk: Culture, Behaviours and Values</i>			
3.2	<p>The Council is unlikely to make sustainable change, unless the organisation's culture, values and behaviours are aligned to and support the Council's Vision.</p> <p>Senior managers have given a number of examples where current culture in the Council may conflict with delivering the new Vision for Authority. These include:</p> <ul style="list-style-type: none"> • A "Heroic", sometimes reactive, management culture • Silo-based service planning, management, problem solving and delivery. • Lack of staff compliance with policies, procedures and mandatory instructions. • Perceived imposition of solutions on stakeholders, managers and staff. • Decision making that does not always use evidence and data to support the process. <p>Several senior managers have stated that changing values, behaviours and culture will be fundamental to implementing sustainable change in a rapidly changing, complex environment.</p> <p>The values and behaviours have been launched alongside the new appraisal process. Unless meaningful appraisals take place with staff, it is unlikely that required cultural change will be achieved. The most recent staff survey identifies (of those surveyed) only 66% had a meaningful appraisal in the last twelve months.</p>	<p>Alongside the leadership development programme in the Council, a cultural development programme should be introduced, to ensure the Council's culture is aligned to and supports delivery of the Vision and Plan.</p> <p>The programme would need to be wide ranging, but areas of initial significant focus would include:</p> <ul style="list-style-type: none"> • Moving from silo based planning and delivery and introducing a more "system-thinking" based approaches • Addressing issues with staff compliance with organisational requirements • Developing leadership and management cultures that work in a proactive and collaborative way. <p>To support cultural change, appraisals must be regularly carried out for all staff, in a meaningful way and focus on values and behaviours as much as more tangible work-based goals.</p> <p>The Council should ensure there is sufficient follow-up on appraisals and objectives set as part of business as usual management activities, for example through regular discussions at staff 1:1s.</p> <p>Priority: High</p>	<p>Chief Executive in conjunction with Head of Performance, People and Engagement</p> <p>December 2016</p>	<p>Head of Performance, People and Engagement: Agreed. This is all in hand. There is a plan for leadership development and service champions will be appointed to support the delivery of it and culture change required.</p> <p>There is a roll out plan for mid -year performance appraisals and a further refresh is planned for 2017-2018.</p>

Swindon Internal Audit Services: Transformation Programme

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
4	Risk: Capacity and Resources			
4.1	<p>Several senior managers, change managers and programme managers have stated that the organisation has been and continues to be under a considerable amount of strain. Examples have been given of lack of senior management capacity to lead change and middle managers who do not have sufficient time to deliver change as well as business as usual activities at the same time</p> <p>Departments have stated that other departments do not have the capacity to meet their requirements when needed, when joint working is required. There is a need to review current resources to ensure the Council has sufficient and appropriate infrastructure to deliver planned change going forward. The Council has heavily invested in change over the last 18 months, recruiting staff to key roles and creating a transformation fund of £2m. Staff have been recruited into the Change team and have worked in service areas to provide change support to senior management teams.</p> <p>Senior managers have spoken highly of this type of support being offered to their management team and have found that the resource has freed-up senior management capacity and created space for strategic thinking and leadership. Change managers themselves have spoken of the benefits of being immersed in a service area, but also having a link to the corporate centre, to allow for sharing of insight and experience.</p> <p>There is currently variable use of the transformation fund by service areas to invest in change resources.</p>	<p>The Council should produce a resourcing plan for the next 12 months for change, identifying internal and external resources required to deliver programmes and projects and securing resources accordingly. This should include enabling functions, for example ICT support.</p> <p>Different types of change are likely to require different types of support at different times (e.g. specialists vs. more generic change/programme/project support). Agile resource management principles will need to be used to allocate available resources over a number of programmes projects occurring at the same time.</p> <p>This will require central oversight, so that activities can be prioritised and resources allocated appropriately, especially if competing requests for resources are made. This should form part of the role of the sponsoring group recommended in AP2.1</p> <p>The current Head of Transformation and Corporate Transformation Manager vacancies should be recruited to as part of this activity.</p> <p>Due to the pace of delivery required, the Council may want to consider engaging external resources, such as a strategic transformation partner, to provide the necessary capacity to deliver change at speed.</p> <p>Priority: High</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>December 2016</p>	<p>Agreed. The new Head of Transformation is due to start in the first week of October.</p> <p>It is intended to create a pool of staff that can be accessed for secondment opportunities, to ensure existing skillsets can be deployed to programmes more skilfully.</p> <p>Change needs to be internally owned and driven, but due to the pace of delivery required using a strategic partner to provide capacity will be considered.</p>

Swindon Internal Audit Services: Transformation Programme

APPENDIX A

Standard Audit Opinions	Standard Audit Opinion System Control
<p>The audit opinion is based on two different criteria the first is materiality of the system and its impact on the Council if there was a system failure. This has been split into High, Medium or Low.</p> <p>The second criteria is the standard of control found within the system audited. This has been categorised into 4 different levels i.e. high; satisfactory; significant improvements required and fundamental weaknesses identified. Each of these categories has a standard opinion (see below).</p> <p>The combination of these two factors gives an overall risk assessment to the Council of one of four scores i.e. significant, of concern, moderate or minimal (see Overall Opinion section in the main report).</p>	<p>Audit Opinion 1. <i>High standard</i></p> <p>The auditor completing the review concluded the significant controls are in place and operating effectively and only minor recommendations have been made</p>
	<p>Audit Opinion 2. <i>Satisfactory standard</i></p> <p>The auditor completing the review concluded that most of the significant controls are in place and operating satisfactorily although some non-compliance was identified and therefore there is scope for improvement.</p>
	<p>Audit Opinion 3. <i>Significant improvements required</i></p> <p>The auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.</p>
	<p>Audit Opinion 4. <i>Fundamental weaknesses identified</i></p> <p>The auditor completing the review concluded that the matters arising from the review are sufficiently significant to place doubt on the reliability of the procedures reviewed. Implementation of the recommendations made is a priority to ensure that reliance can be placed on the system.</p>

Swindon Internal Audit Services: Transformation Programme

APPENDIX B

Acknowledgements

Internal Audit would like to acknowledge and thank the following Officers who contributed to the review:

Name	Job Title
John Gilbert	Chief Executive
Stuart McKellar	Board Director: Resources
Bernie Brannan	Board Director: Service Delivery
Jan Willis	Interim Corporate Director Resources
Paul Kearsey	Former Head of Transformation and Corporate Programmes
Kirsty Cole	Head of Finance and Change
Sam Mowbray	Head of Performance, People and Engagement
Sue Wald	Head of Commissioning
Glyn Peach	Head of ICT and Chief Information Officer
Patrick Weir	Head of Localities, Community Involvement and Volunteering
Jackie Walker	Head of Finance and Change: Vulnerable People
Ingrid Summersgill	Service Improvement Manager
Adrian Trotter	OD Consultant
Kate Bishop	Programme Manager

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AUDIT		Transformation Programme		PREPARED BY		SP	DATE	
REPORT DATED		November 2016		REVIEWED BY			PAGE	Page 1 of 6
NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT	Status (1,2,3,4,5)	COMMENTS/ACTIONS BY DEPARTMENT			
1	Risk: Change Leadership							
1.1	<p>The Council’s senior leadership cohort needs to agree on a clear direction for change and unite behind this direction to ensure the organisation works effectively and collaboratively towards shared goals.</p> <p>This will require an approach that balances conflicting needs, for example delivering savings in line with required timescales, balancing delivery of both financial and non-financial benefits and ensuring an appropriate approach to engagement is taken in relation to issues being addressed.</p> <p>It is possible that, with budget pressures and constrained timescales to deliver change, the Council will not balance all elements of change equally. Therefore a solution that best fits the Council’s environment should be determined and supported once agreed.</p> <p>At the same time, opportunities to enhance parity of direction, planning and decision making between the Leader’s Advisory Group, Cabinet and Council senior management teams should also be explored.</p> <p>Priority: Medium</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>December 2016</p>	<p>Agreed. This report will be tabled at CMT for discussion and agreement will be reached on the Council’s future approach to transformation.</p> <p>Work will also be carried out to produce the organisational blueprint, and roadmap to 2020 which will be required to inform key decisions that will need to be made and any review of what is currently in programmes. The new Head of Transformation is due to start in October 2016 and this will be one of his key tasks.</p> <p>We will work with members to firm up member governance, including lead member arrangements and championing of change.</p>		<p>EY have just delivered their report to CMT who will now consider its contents and implications and work with Cabinet to implement.</p> <p>This piece of work will guide a refresh of the Transformation Programme without losing the valuable progress that has been made so far in terms of governance structures and processes.</p> <p>The new Head of Transformation has now been in place for 6 months. During this time the organisation has delivered the groundwork on which this refreshed programme can be built.</p>			

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Status: 1=Implemented, 2=Being Implemented, 3=Not Implemented, 4=Superseded, 5=Other

NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT	Status (1,2,3,4,5)	COMMENTS/ACTIONS BY DEPARTMENT
1	Risk: Change Leadership				
1.2	<p>The Council should design and deliver a leadership development programme to help support achievement of wider organisational change.</p> <p>As part of this programme, it should define the leadership behaviours, qualities and capabilities that are required to deliver the various elements of the Council Plan and carry out analysis to determine where further recruitment or staff development is necessary.</p> <p>The Council should ensure that collaborative, distributed leadership principles are included in the design of the leadership programme, to help promote innovation, collaboration/systems-thinking and to increase organisational capability and capacity.</p> <p>This should extend to collaboration with external organisations, to ensure that relevant learning from peers and other relevant organisations can be brought into the Council and benefit planning and delivery.</p> <p>Priority: High</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>December 2016</p>	<p>Interim Resources Director: Agreed. The need for a Cultural and Leadership work stream has been established and is currently being developed.</p> <p>Change must be owned and driven internally and the Council's extended leadership team will be engaged to deliver this.</p> <p>Head of Performance, People and Engagement: Agreed. This is planned for the new year and there is a particular strand of the new Transformation programme devoted to it. We are well advanced with the research and planning of the programme and do intend to work with external partners including an education provider.</p>		<p>Future Leaders programme, delivered in conjunction with, and accredited by, the University of West of England will be starting in September with an application window opening in late May.</p> <p>The programme will last for nine months and there will be 16 places for council employees.</p> <p>In future years we will be inviting leaders from across the private and public sector to take part to develop leadership capability and support participants to work across different systems to improve their understanding and capability.</p> <p>Furthermore, an internally-delivered Aspiring Leaders programme for 32 members of staff will begin in September with a focus on leadership and transformation.</p>

NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT	Status (1,2,3,4,5)	COMMENTS/ACTIONS BY DEPARTMENT
2	Risk: Vision and Organisational Blueprint				
2.1	<p>Work to produce the organisational blueprint should be prioritised to ensure the foundations to inform the new phase of change programme definition and design are in place.</p> <p>Priority: High</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>November 2016</p>	<p>Agreed. A tender process is underway to appoint an appropriate partner to produce the organisational blueprint at pace.</p>		<p>As mentioned previously, EY have just delivered their report to CMT who will now consider its contents and implications and work with Cabinet to implement.</p> <p>This will result in changes to the transformation programme as a result.</p>

NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT.	Status (1,2,3,4,5)	COMMENTS/ACTIONS BY DEPARTMENT
3	Risk: Governance of Change				
3.1	<p>As part of re-invigorating and rebuilding momentum behind change, the Council should revisit governance arrangements for programmes to ensure that they are fit for purpose.</p> <p>As a continuation of the work on Place carried out earlier this year, the Council will need to review progress against existing change programmes and determine next steps to define, design and deliver the next phase of change programme delivery.</p> <p>To support this, the Council should seek to re-establish agile, proportionate governance arrangements for programmes based on the level of risk, including:</p> <ul style="list-style-type: none"> • Re-introduction of an effective sponsoring body to direct, monitor and control change programmes, throughout programme lifecycles. • An effective process of benefits realisation management that ensures both financial and non-financial benefits are reported and reviewed. • Finalising, publishing and cascading a change methodology, to ensure a consistent, minimum standard of governance and process across programmes. <p>Priority: High</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>December 2016</p>	<p>Agreed – a new sponsoring board will be established that will have appropriate membership, sitting between individual programmes and Corporate Management Team.</p> <p>Other governance arrangements will be refreshed, including ensuring there is an effective PMO to manage interdependences between programmes, appropriate risk and reporting arrangements, a defined change model and appropriate communications to stakeholders. T</p> <p>The need for appropriate benefits management processes is recognised and this will be a task for the new Head of Transformation, along with development and implementation of an appropriate change methodology.</p>		<p>A governance structure for the Transformation programme has been developed and is now embedded within the organisation. This is made up of a series of programme and projects boards which feed into CMT via a Transformation Board. The Transformation Programme is responsible for using corporate intelligence to ensure early identification of issues, risks and challenges and putting in place mitigation measures. The resources of the council's Transformation Team have been realigned to support the programme in its new form and each of the prioritised projects has named accountable officers responsible for its successful delivery and reporting.</p> <p>A draft Benefits Realisation Framework has been developed and is been considered by the Transformation Board at its next meeting in April 2017.</p> <p>As part of the Transformation Programme, a methodology has been created for ensuring consistent project and programme management. It will also support dashboard reporting that will be used to provide corporate oversight of all areas at project, programme and corporate level. This includes a more robust business case development process and sign off.</p>

NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT.	Status (1,2,3,4,5)	COMMENTS/ACTIONS BY DEPARTMENT
3	Risk: Governance of Change - Culture, Values and Behaviours				
3.2	<p>Alongside the leadership development programme in the Council, a cultural development programme should be introduced, to ensure the Council's culture is aligned to and supports delivery of the Vision and Plan.</p> <p>The programme would need to be wide ranging, but areas of initial significant focus would include:</p> <ul style="list-style-type: none"> Moving from silo based planning and delivery and introducing a more "system-thinking" based approaches Addressing issues with staff compliance with organisational requirements Developing leadership and management cultures that work in a proactive and collaborative way. <p>To support cultural change, appraisals must be regularly carried out for all staff, in a meaningful way and focus on values and behaviours as much as more tangible work-based goals.</p> <p>The Council should ensure there is sufficient follow-up on appraisals and objectives set as part of business as usual management activities, for example through regular discussions at staff 1:1s.</p> <p>Priority: High</p>	<p>Chief Executive in conjunction with Head of Performance, People and Engagement</p> <p>December 2016</p>	<p>Head of Performance, People and Engagement: Agreed. This is all in hand. There is a plan for leadership development and service champions will be appointed to support the delivery of it and culture change required.</p> <p>There is a roll out plan for mid -year performance appraisals and a further refresh is planned for 2017-2018.</p>		<p>This work is under review. The Head of Transformation and the Head of Performance, People and Engagement along with the Head of People Development are considering what further activity is required to drive a more positive organisational culture.</p> <p>Work is ongoing to improve manager's capability to both deliver productive performance appraisals and to manage absence effectively. We have appointed two absence officers to support managers in managing their absence effectively and their work starts from 1 April 2017.</p> <p>External evaluation of Swindon Manager which outlines management competencies required of our management cohort will be taking place shortly and we will then consider whether further support is required in this area.</p>

NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT.	Status (1,2,3,4,5)	COMMENTS/ACTIONS BY DEPARTMENT
4	Risk: Capacity and Resources				
4.1	<p>The Council should produce a resourcing plan for the next 12 months for change, identifying internal and external resources required to deliver programmes and projects and securing resources accordingly. This should include enabling functions, for example ICT support.</p> <p>Different types of change are likely to require different types of support at different times (e.g. specialists vs. more generic change/programme/ project support). Agile resource management principles will need to be used to allocate available resources over a number of programmes projects occurring at the same time.</p> <p>This will require central oversight, so that activities can be prioritised and resources allocated appropriately, especially if competing requests for resources are made. This should form part of the role of the sponsoring group recommended in AP2.1</p> <p>The current Head of Transformation and Corporate Transformation Manager vacancies should be recruited to as part of this activity.</p> <p>Due to the pace of delivery required, the Council may want to consider engaging external resources, such as a strategic transformation partner, to provide the necessary capacity to deliver change at speed.</p> <p>Priority: High</p>	<p>Chief Executive in conjunction with Corporate Management Team</p> <p>December 2016</p>	<p>Agreed. The new Head of Transformation is due to start in the first week of October.</p> <p>It is intended to create a pool of staff that can be accessed for secondment opportunities, to ensure existing skillsets can be deployed to programmes more skilfully.</p> <p>Change needs to be internally owned and driven, but due to the pace of delivery required using a strategic partner to provide capacity will be considered.</p>		<p>A key part of the new business case process includes mandatory consideration of the resources required to deliver any project. This includes allocation of current internal resources alongside any external resources required, so that this can inform decision making from the outset.</p> <p>The council has engaged with a number of partners to initiate its Transformation journey. This have included:</p> <p>EY – Vision & organisational blueprint Newton – Demand Management in Adults Curium – Operational Efficiency Pilot in Customer services Retearn – Strategic Procurement Review</p> <p>Given the pace of change required, this support has been valuable in providing a starting point for the council and identifying key opportunity areas for organisational progress and financial savings. The Transformation Team has been tasked with working alongside these partners to ensure that we take as much learning from these engagements as possible.</p> <p>Due to the recruitment freeze and MARS processes, the Corporate Transformation Manager post remains vacant and the duties are being shared between the Head of Transformation and his Senior Managers.</p>

Internal Audit Plan: 2017/18

Audit Committee

Date: 4th April 2017

Author: Head of Internal Audit
Wards: None
Locality Affected: None
Parishes Affected: None

1. Purpose and Reasons

- 1.1 To present the draft Internal Audit Annual Plan (2017/18) for approval by the Audit Committee.
- 1.2 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating properly.
- 1.3 The Council's Internal Audit section is a key component of the assurance framework and therefore it is essential that this Committee monitor its performance against the annual plan along with the implementation of agreed recommendations by Client departments.

2. Recommendations

The Committee is recommended to:

- 2.1 Approve the draft Internal Audit plan for 2017/18 if the Committee is satisfied that it includes all areas where it requires assurance with regards to the Council's Control, Risk and Governance framework.

3. Detail

Legal Framework

- 3.1 Internal Audit is a statutory requirement for local government.
 - (a) Section 151 of the Local Government Act 1972 requires every authority to make arrangements for the proper administration of its financial affairs and to ensure that one of the officers has responsibility for the administration of those affairs. Internal Audit supports the role of the Section 151 Officer by assessing the financial controls of the Council, in particular in relation to the main financial systems and provides assurance to the External Auditor regarding the reliance that can be placed upon these.
 - (b) Section 5 of the Accounts and Audit Regulations 2015 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.*'
-

Further information on the subject of this report can be obtained from Nick Hobbs,
Direct Dial Telephone Number: 01793 463940 nhobbs@swindon.gov.uk.

Internal Audit Plan: 2017/18

Audit Committee

Date: 4th April 2017

- 3.2 These regulations emphasise the much wider role for Internal Audit and the need to consider all internal control arrangements, not just financial, and places more emphasis on the risk management arrangements and the need to consider the key risks to the Council's objectives.

Annual Internal Audit plan 2017/18

- 3.3 The Head of Internal Audit has put together a draft risk-based Internal Audit plan for 2017/18 (see Appendix 1). The plan has been produced on the basis of:
- Ensuring that there is adequate coverage of the Council's governance, risk management and key systems of internal control in order to provide assurance to the Leader and Chief Executive when certifying the Annual Governance Statement, and to the Council's Audit Committee.
 - Ensuring that the Director of Finance's Section 151 (Local Government Act 1972) requirements are met.
 - Ensuring compliance with the requirements of the Accounts and Audit Regulations 2015.
 - Risks identified to the Council meeting its key objectives identified in the Corporate Risk register are covered.
 - The requirements of External Audit, in particular in relation to the audit of the Council's main financial systems.
 - Corporate Director/Heads of Service and Leadership team priorities.
 - Priorities identified by Internal Audit.
 - Additional Corporate Governance issues including anti-fraud and corruption work.
 - Certification work including the Carbon Reduction Commitment Scheme, NNDR3 audits etc.
 - A contingency has also been allowed for investigation work, follow-up work and advice and consultancy.
- 3.4 Meetings with the Chief Executive, Corporate Management Team members, all tier two officers and key finance staff and the Corporate Planning Lead were held in order to identify their priorities for Internal Audit over the coming financial year. All leadership management teams were also consulted.
- 3.5 Appendix 1 sets out those audits included in the draft audit plan for 2017/18.
- 3.6 Appendix 2 sets out those audits that had been discussed with Corporate Management Team; leadership teams etc. and have been left out of the plan for 2017/18, as there are insufficient audit resources to cover all these audits; and

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Internal Audit Plan: 2017/18

Audit Committee

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these areas are considered to be of a lower priority to those included in Appendix 1.

3.7 The draft plan and priorities have been agreed by Corporate Management Team.

3.8 Audit Committee are therefore requested to agree the audit plan.

4. Alternative Options

4.1 Not Applicable

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 There are no direct financial implications arising from this report.

Legal and Human Rights Implications

5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2015. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

5.3 None

Links to One Swindon, Strategic Objectives, Plans and Policies

5.4 Effective systems of internal control within the Council will help to ensure that the objectives set out in One Swindon are achieved.

Diversity Impact Assessment

5.5 None

Risk Management

5.6 Not applicable

6. Consultees

6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

6.2 The Chief Executive, Corporate Management Team, all tier one and two officers, Heads of Finance, and the Corporate Planning Lead have been consulted when putting the internal audit plan together.

Further information on the subject of this report can be obtained from Nick Hobbs,
Direct Dial Telephone Number: 01793 463940 nhobbs@swindon.gov.uk.

Internal Audit Plan: 2017/18

Audit Committee

Date: 4th April 2017

7. Background Papers

7.1 None

8. Appendices

Appendix 1 – Draft Internal Audit Plan 2017/18

Appendix 2 – Audits left out of the 2017/18 plan



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Introduction

Swindon Borough Council, like all organisations providing services to the public, relies on systems that balance flexibility with appropriate internal control in order to manage resources to meet strategic and service objectives, ensuring accountability and minimising the risk of fraud.

The Council has important statutory obligations and is responsible for the proper stewardship of many millions of pounds of public money and must ensure that the highest standards of corporate governance are maintained. Internal Audit help to provide assurances that Council assets and resources are correctly applied and used wisely.

Internal Audit is mandatory in local government. Under the Accounts and Audit Regulations 2015, Section 5, the Council '*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.*'

Internal Auditing is defined as '*an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes*' (source: Public Sector Internal Audit Standards).

Internal Audit's aim is to help the Council meet high standards of service delivery, conduct and governance by examining, evaluating and reporting on the risk management, governance and internal control environment.

The Council's External Auditor examines the work of Internal Audit on an annual basis and seeks to place reliance on that work when they come to audit the Council's financial statement of accounts. The Council's current External Auditors are Grant Thornton.

The standards of auditing which the Council will receive from Internal Audit and associated performance indicators are also outlined in this plan and meet the requirements of the Public Sector Internal Audit Standards.

I would like to take this opportunity to gratefully acknowledge the support received from Members, Audit and Standards Committees, the Chief Executive, Corporate Directors, Heads of Service, their management teams and staff during the preparation of the audit plan and during the course of completing our audit assignments.

An Outline of the Planning Process

The level of Internal Audit resources required to examine all the Council's activities far exceeds those available each year. It is, therefore, essential that the work of Internal Audit be properly planned to ensure that maximum benefit is gained from the independent, objective assurance function which internal audit provides. Resources must be appropriately targeted by assessing the Council's total audit needs and preparing a plan that ensures systems are reviewed on a risk basis according to the impact they have on the delivery of the Council's objectives. How regularly systems and processes are reviewed varies depending on the associated risk, materiality and dependency which they carry in relation to achievement of the Council's priorities and pledges.

The plan will look to provide reasonable assurance to Audit Committee, Corporate Board and other stakeholders regarding all key areas within the Council (see diagram on next page – Reasonable Assurance Framework).

When putting the plan together Internal Audit will take in to account the risk management framework, including risk registers etc. This year's annual plan has again sought to place reliance on the Corporate Risk Register and management's identification of key risks in their areas. As part of the planning process for 2017/18 the Head of Internal Audit met with the Chief Executive, Corporate Directors all tier two officers as well as key finance staff and the Corporate Planning Lead. These meetings identified management's key priorities and risks for Internal Audit to consider.

Main Financial Systems: Strong controls in these systems are fundamental to our overall audit opinion. The audit of these systems gives the Council's Section 151 Officer assurance as to whether there are '*arrangements for the proper administration of their financial affairs*'. These systems are covered in some respect every year and include a review of anti-fraud and corruption controls. The Council's External Auditor will review Internal Audit's work in this area as part of their assessment of the reliability of the Council's financial systems. If no work was carried out in these areas then additional work may be required by External Audit that may result in additional fees being charged to the Council.

Also included in the plan are audits highlighted as priority areas by Internal Audit following previous year reviews i.e. where a significant level of risk had been identified in a key system a follow up audit has been specifically planned; areas identified by colleagues in other councils as a risk; and national issues such as changes in legislation.

The Internal Audit plan is reviewed regularly by the Head of Internal Audit during the year. He reports progress against the plan quarterly to senior leadership teams. As part of this process he will ensure that audits planned for the next quarter are still a priority and to establish whether there are any emerging risks that require audit attention.

Reasonable Assurance Framework



Annual Governance Statement

The outcome of the audits within this year's plan will inform the Head of Internal Audit's overall opinion on the adequacy of the Council's system of internal control, risk management and governance arrangements. This in turn will feed in to the review of effectiveness of governance arrangements that forms part of the Council's Annual Governance Statement.

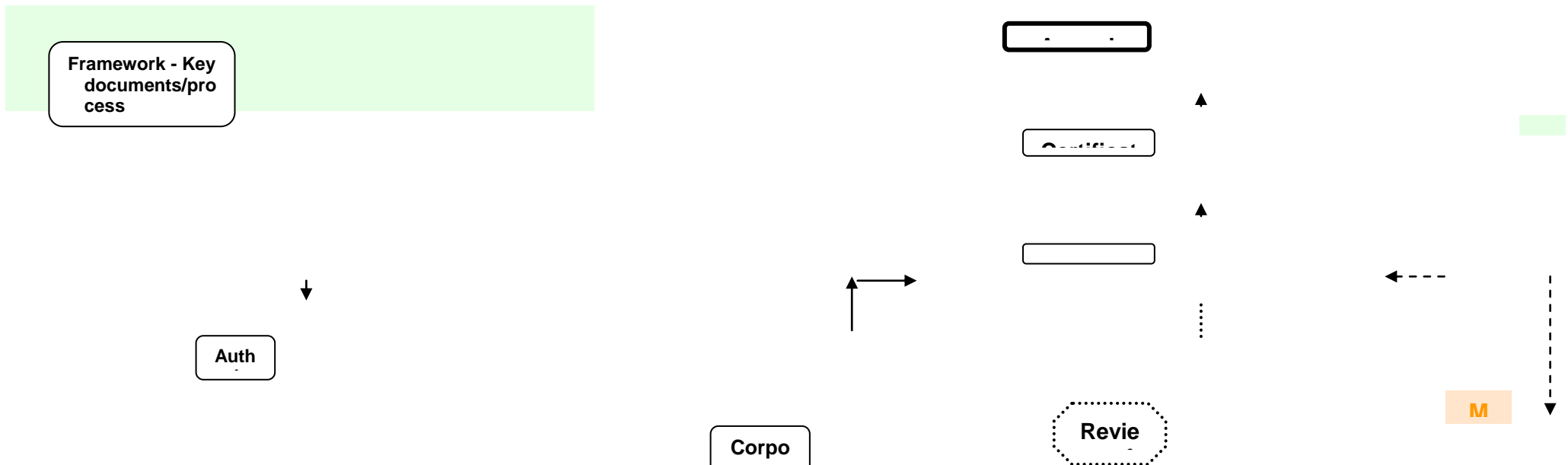
Internal Audit is only one of a number of areas of assurance that contribute to the Council's Assurance Framework (see copy of the framework on page 6).

The Accounts and Audit Regulations 2015 for local government bodies in England require an Annual Governance Statement (AGS) to be prepared. The AGS is required to include the following disclosures:

- An acknowledgement of responsibility for ensuring that there is a sound system of governance (incorporating the system of internal control).
- An indication of the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide.

- A brief description of the key elements of the governance framework, including reference to group activities where those activities are significant.
- A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of:
 - the authority
 - the executive
 - the audit committee/overview and scrutiny function/risk management committee/standards committee
 - internal audit
 - other explicit review/assurance mechanisms
- An outline of the actions taken, or proposed to deal with significant governance issues, including an agreed action plan.

The AGS must be seen as a Council wide document and not just the responsibility of the S.151 Officer or Head of Internal Audit. Corporate Board agrees the AGS before being reviewed and approved by the Audit Committee. The Leader of the Council and the Chief Executive will sign off the AGS, which is then published with the Council's statement of accounts.



Audit Committee

It is important to ensure that the Council has a sufficiently independent and effective Audit Committee that follows best practice. Audit Committees are a key component of corporate governance. They are a key source of assurance about the organisation's governance arrangements, management of risk, maintenance of an effective control environment, and reporting on financial and non-financial performance. In turn Internal Audit provides a key source of assurance to the Committee as to whether controls are operating effectively.

Audit Committees are not just the concern of auditors; they are about the governance, financial reporting and financial performance of the whole authority.

Effective corporate governance depends, in part, on a systematic strategy, framework and process for managing risk. Governance is also about increasing public confidence in the objectivity and fairness of financial and other reporting. This in turn depends upon assurance that issues raised in preparing and auditing annual accounts and other reports have been dealt with. It is important that local authorities have independent assurance about the mechanisms underpinning these aspects of governance.

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The existence of an independent and effective Audit Committee helps to convey to staff and to the public the importance Members and Officers attach to internal control.

The Council has adopted best practice in implementing an Audit Committee. Members promote the need for internal control and risk management. Board Directors, Heads of Service and other relevant officers have attended meetings of the Committee to update Members on the progress in implementing audit recommendations, thereby helping to raise the profile of the work of Internal Audit.

The Committee has also agreed a set of terms of reference that encompass the latest guidance issued by CIPFA in their publication, *Audit Committees – Practical Guidance for Local Authorities and Police – 2013*.

The Audit Committee's terms of reference set out the following core functions of the Audit Committee:

- Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.
- Oversee Internal Audit's independence, objectivity, performance and professionalism; support the effectiveness of the internal audit process and promote the effective use of Internal Audit within the assurance framework.
- Consider the effectiveness of the control environment, including arrangements for ensuring value for money and for managing the authority's exposure to fraud and corruption.

- Consider the reports and recommendations of Internal Audit, External Audit and inspection agencies and their implications for governance, risk management or control.
- Review the Council's financial statements, the External Auditor's opinion and report to members, and monitor management action in response to the issues raised.
- Review and monitor treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.
- Advise upon and/or review the effectiveness of any other matters referred to the Audit Committee by the Cabinet, the Overview and Scrutiny, Regulatory Committees or the Head of Internal Audit.

Fraud and Corruption

Unfortunately, fraud and corruption is an increasing feature nationally. Responsibility for prevention and detection rests with management but Internal Audit will identify high-risk areas, test for the existence of fraud and recommend improved internal controls where necessary.

Page 107 Internal Audit will promote an anti-fraud culture and encourage staff to raise legitimate concerns with the confidence that they will be thoroughly investigated. Information on frauds elsewhere will continue to be widely disseminated and audit staff will consider whether procedures are operating which would prevent these particular activities occurring in this Council. A Fraud Bulletin that provides details of recent frauds and scams that have been committed in both the public and private sector is produced on a regular basis and distributed to all staff.

Swindon Internal Audit Services will make use of computer audit techniques to compare and test data across different systems, as well as co-ordinating involvement in national data matching exercises enabling the Council to identify and tackle any potential fraud.

Internal Audit also operates the Council's Whistleblowing procedure in conjunction with the Director of Law and Democratic Services. A confidential phone/fax line is provided. Any calls received are reported to the Director of Law and Democratic Services who then appoints an investigating officer to investigate the allegations made. This will normally be Internal Audit.

The results of any investigation are reported to the Head of Service along with any other relevant officer i.e. Board Director etc. The details of any person using the whistleblowing service are kept confidential unless the nature of the call is found to be malicious etc. where separate disciplinary action may be taken.

Summaries of investigations are provided to the Council's Standards Committee who also has responsibility for approving the Council's Anti-Fraud and Corruption Strategy (including the Whistleblowing Policy).

Internal Audit have compiled a Fraud Response plan that sets out what managers/employees should do if they become aware of a potential fraud. Internal Audit has also prepared a Fraud Awareness Guide for managers.

Areas particularly susceptible to fraud are identified by:

- Reviewing publications such as the Audit Commission's '*Protecting the Public Purse*' and their '*National Fraud Initiative National Report*' that indicated areas of actual and potential fraud.
- Discussions with Heads of Service
- Previous audits / experience
- Information exchanged with colleagues from other local authorities i.e. at the West of England Fraud sub-group.
- Fraud Awareness bulletins issued by the National Anti-Fraud Network (NAFN)

These areas are then considered for inclusion in the audit plan. Time is also included for ad-hoc-fraud investigations.

Page 108 Corporate Fraud Team

Internal Audit was successful in bidding for Counter Fraud funding from the Government. This funding enabled the setting up of a Corporate Fraud Team with the appointment of two officers, a Corporate Fraud Investigator and a Corporate Fraud Intelligence Officer. The initial grant funding ran until March 2016 but additional funding has been gained from the Housing Revenue Account since 2016/17.

The main focus of the Corporate Fraud team is on external fraud committed against the Council. Areas of focus during 2017/18 will include:

- Housing tenancy fraud
- Right to buy applications
- Council tax exemptions and discounts including Single Person Discount; student exemptions
- Council tax reduction scheme, etc.

1. *Audit Charter*

The Internal Audit Charter, approved by Audit Committee, defines the purpose, authority and responsibility of Internal Audit within Swindon Borough Council and outlines the scope of Internal Audit's work. The Charter also covers the following areas:

- Role
- Professionalism
- Accountability
- Responsibility of statutory officers
- Independence and objectivity
- Internal Audit plan and resource
- Reporting and monitoring
- Periodic assessment and approval

2. *Scope and Service Priorities*

The scope of the internal audit function covers the entire internal control system of Swindon Borough Council, including its risk management and governance arrangements. Our audit reviews can therefore cover all financial and non-financial activities of the Council. These reviews advise and support the:

- (a) Audit Committee in discharging its responsibilities for:
- advising on the adequacy and effectiveness of the Authority's internal control environment in accordance with the requirements of The Accounts and Audit Regulations 2015;
 - supporting the Director of Finance with his delegated responsibility for ensuring arrangements for the provision of an adequate and effective internal audit;
 - Monitoring the adequacy and effectiveness of the Internal Audit Service and Directors' responsibility for ensuring an adequate control environment.
- (b) Leader and Chief Executive in their annual certification of the Annual Governance Statement.
- (c) Board Director: Resources in discharging his statutory responsibilities under Section 151 of the Local Government Act 1972.

The Council's own corporate risk register supported by individual Pillar risk registers drives a large part of the annual audit plan.

We will also carry out audits of the Council's main financial systems to provide assurance to the Council's S.151 Officer that arrangements are in place for the proper administration of the Council's financial affairs and help to promote an anti-fraud and corruption culture by

targeting areas of high risk of fraud, investigating suspected cases of fraud/irregularity and being the main contact for the Council's whistleblowing hotline.

3. Auditing Standards

The Relevant Internal Audit Standard Setters have adopted a common set of Public Sector Internal Audit Standards (PSIAS). The PSIAS encompass the mandatory elements of the Institute of Internal Auditors International Professional Practice Framework, as follows:

- Definition of Internal Auditing
- Code of Ethics
 - Integrity; Objectivity; Confidentiality; Competency
- International Standards for the Professional Practice of Internal Auditing
 - Purpose, authority and responsibility; Independence and objectivity; Proficiency and due professional care; Quality assurance and improvement programme; Managing the Internal Audit activity; Nature of work; Engagement planning; Performing the engagement; Communicating the results; Monitoring progress

Swindon Internal Audit Services applies the above standards providing a quality, professional, internal audit and management review service which helps the Council discharge its statutory duties regarding accountability, risk management, securing value for money and the application of high standards of governance in the stewardship of public funds.

Adopting a constructive and supportive approach, working in partnership with officers throughout the Council, Swindon Internal Audit Services also promote good management practice and helps ensure that the Council's corporate policies and objectives are being realised.

4. Quality Standards

Swindon Internal Audit Services will:

- Undertake audit assignments with competence, diligence, integrity and objectivity utilising skills and judgement developed through experience and training.
- Act impartially and objectively to provide a reliable opinion, pursuing all issues either reported or found.
- Encourage approaches from Members and employees regarding any matters of concern, or simply to obtain advice and assistance.
- Fully involve Services in order to develop dynamic strategic and operational plans that are relevant to their needs and recognise service priorities.

- Plan and conduct our assignments in accordance with auditing standards.
- Fully brief Managers, prior to commencing each audit review, concerning the objectives and scope of the work and invite them to identify particular matters that would benefit from an independent evaluation.
- Adopt a risk-based approach.
- Emphasise the positive as well as where improvements can be made and take account of the culture of Services, available resources and possible constraints when making recommendations. Fully discuss findings with Managers concerned and issue draft reports on major audit assignments.
- Reach agreement on recommendations and how they can be implemented.
- Include an action plan in all reports incorporating agreed implementation dates for the recommendations made.
- Review the successful implementation of recommendations.
- Deal with enquiries concerning suspected fraud or malpractice immediately.
- Staff the office within the Council's normal working hours, answering telephone calls within four rings.
- Work closely with the External Auditor to eliminate any duplication of effort and ensure a cost-effective audit process.
- Constantly monitor and communicate standards of good practice.
- Treat all information gathered with the utmost confidentiality.
- Be polite, courteous, helpful and understanding in the approach adopted.
- Commit to Health and Safety, Equal Opportunities, Sustainability and other policies of the Council.

5. *Service Outputs*

For planned work service outputs are:

Detailed reports arising from reviews of the whole system of internal control, financial and otherwise, containing recommendations which help to:

- Develop key management, financial and information systems
- Secure value for money
- Review performance
- Ensure adherence to legislative requirements, management policies and directives
- Ensure compliance with best practice
- Safeguard assets
- Ensure completeness and accuracy of records

- Secure effectiveness, economy and efficiency in the use of resources
- Ensure the reliability and integrity of information

For irregularity work service outputs are:

Comprehensive fraud prevention measures and raised awareness of the special responsibility the Council has for maintaining the highest possible standards in its management of public funds. In particular, this involves:

- Monitoring compliance with Standing Orders and Financial Regulations
- Coordinating corporate fraud prevention action
- Investigating reported irregularities and supporting any Police enquiries
- Coordinating participation in local and national anti-fraud initiatives
- Providing immediate notification of frauds reported elsewhere together with advice on avoidance measures

For unplanned, ad hoc, work service outputs are:

Advice and assistance during the development of current corporate initiatives.

Other general advice and assistance to officers throughout the Council regarding best management practice, probity issues, system development and internal control. Points of practice are communicated to Members and Service Managers through the issue of reports and notification of work carried out by the Audit Commission, External Audit and other Government Agencies that may help them improve the services they provide.

6. *Feedback and Performance Measurement*

The opinion of Members, Managers and staff is highly valued as it enables the Service to maintain high standards and quickly respond to changing client needs. Opportunities for feedback are provided through regular meetings with Senior Management teams, 1:1's between the Head of Internal Audit and both the Council's Monitoring Officers and Section 151 Officer, relevant Finance Managers and the issue of Customer Feedback Forms that accompany final audit reports. These forms provide a means for clients to make constructive comments on the services received.

Feedback is also welcomed directly to the Head of Internal Audit regarding any audit work that has been completed, is in progress or is planned. We are also keen to assist where possible with queries regarding internal control issues and react to changes in priorities and reacting to requests for audits in areas where there are new or increased risk.

7. Performance Indicators

The section has three key performance indicators. These are:

- Overall completion of the number of audits in the audit plan: Target 90%
- Completion of the main financial system audits: Target: 100%.
- Customer Satisfaction Feedback: Target of at least 86% of clients scoring the audit as 'Good' or 'Excellent'.

Performance against these targets is reported to each meeting of the Council's Audit Committee and included in the Head of Internal Audit's Annual report.

Allocation of Resources

The annual audit plan for 2017/18 has been drafted on the basis of current planned available days within the section. The plan was produced on the basis of the requirements of meeting the Director of Finance' Section 151 responsibilities, the requirements of External Audit, key risk areas identified by individual Corporate Directors, Heads of Service and Internal Audit reviews.

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Not all issues/areas raised by management and Internal Audit have been included in the plan due to the level of audit resources available. These audits were discussed with both Corporate Management Team and Audit Committee and management were prepared to bear the risk and not increase the audit resource to meet the additional requirement. Therefore, the annual audit plan had to be trimmed so that it could be delivered from existing current resources. The reduction in the audits was in agreement with Corporate Management Team, the Director of Finance and the Audit Committee – those audits that were considered to be of a lower risk were removed from the plan.

The detail of our allocation of resources is shown in Appendix 1 attached. However, it should be noted that the plan is flexible enough to consider new areas of significant risk that occur during the course of the year. External Audit has stated that they are happy for the plan to be changed to reflect an increased risk in a particular area as long as it can be properly justified.

Individual audits will be allocated from the annual plan on the basis of matching the auditor's expertise and experience to the assignment requirements. Currently the section has both Information Technology and Contract specialists in the section if an additional specialist resource was required to complete an assignment this would be discussed with the relevant manager(s).

Internal Audit obtains assurance from other assurance providers within the Council i.e. Health and Safety, Risk Management etc. when developing the audit plan and carrying out individual assignments.

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Potential audits for 2017/18

Est. days

Corporate

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Annual Governance Statement
Risk management
National Fraud Initiative
EY blueprint

Resources

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Transformation

Delivery of change programmes - savings targets etc.
Change programmes - effective governance

Law and Democratic Services

Housing Benefits
NNDR
NNDR 3 certification claim
Council Tax
Debtors
Municipal burials and crematorium
Disclosure of information
Governance arrangements for wholly owned subsidiaries inc. Solar Farms, Housing etc.
Home Office: Organised crime checklist
Compliance with Contract Standing Orders (follow-up)

People, Performance and Engagement

Temporary workforce (inc. IR35)
Absence management
Payroll
Starters and leavers

Finance

Financial stability
Treasury management
Creditors
Main accounting system
Section 151 responsibilities
Carbon Reduction Commitment Grant

Information Technology

Starters and leavers asset management
Mobile devices
General Data Protection Regulation
PCI (follow-up)
IT Training (follow-up)
IT management
IT asset management (follow-up)
Patch management
3rd Party Assurance
Key ICT system controls

Business Support

Digitalisation Strategy
Health and Safety: Corporate Manslaughter
Business Continuity

Communities and Place**151****Street Smart**

Community Governance review (inc. grounds and cleansing inspection regime)
PPS waste service
Parking and enforcement

Localities

Libraries transitional funding

Highways

Asset management approach to resource allocation
Injuries, accidents on the network
Bruce Street (follow-up)

Housing Services

Housing Rents
Homelessness
Domestic Abuse strategy (follow-up)

Property Maintenance

Statutory compliance: statutory buildings
Housing repairs and maintenance
Housing Capital programme delivery follow-up

Adult Services	98
Adults	
Learning disabilities - service delivery inc. shared lives, Firethorn etc.	
Whitbourne House	
Safeguarding	
Avon and Wiltshire Partnership (AWP)	
Monitoring and Finance Board for Newton Europe	
Troubled families grant claims	
Public Health	
Public Health ring fenced statement	
Childhood obesity	
Economy	100
Commercialisation agenda	
Wichelstowe	
Forward Swindon	
LEP	
New Eastern Villages	
Property	
Asset management - process	
Asset management - accounting	
Planning, Regulatory Services, Heritage and Libraries	
STEAM	
Licensing - income reconciliation	
Design and Architecture	
Security	
Children Services	122
Children	
Fostering	
Youth Offending Team	
MASH	
Care Leavers (follow-up)	
Children: legal costs	
ICS/Capital One	
Education	
School Placed Planning	
School improvement	
SENRAP	
Schools (3)	
External Work	85
St Joseph's Academy	
Bristol CC	
UTC	
South Gloucestershire PSIAS	
Corporate Fraud Team	481

Audits not in plan

Scrutiny
Learning and development - mandatory training
Job evaluation
3rd party assurance
Depot operations
Winter routes
Tenant strategy
Private Care Homes
Adults Equipment management (Hospital)
Schools (2)
Reduction in Carbon (follow up)
Highways service standards
Vulnerable Adults - Housing (follow-up)
Emergency planning
Children Services - budgeting for legal costs
Elections
RIPA compliance
RIPA compliance
Monitoring capital expenditure
Deprivation of liberty
Member/Officer training
Child Sexual Exploitation (follow-up)
Business support, retention and expansion

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Informing External Audit's Risk Assessment

Audit Committee

Date: 4th April 2017

Author: Head of Internal Audit
Wards: None
Locality Affected: None
Parishes Affected: None

1. Purpose and Reasons

- 1.1 As part of their audit of the Council's financial statements and in order to comply with the International Standards on Auditing (UK and Ireland), the External Auditor is required to make inquiries of both management and the Audit Committee as to their knowledge and understanding of the following areas:
- Fraud
 - Laws and regulations
 - Going concern
 - Accounting estimates; and
 - Related parties

2. Recommendations

The Committee is recommended to:

- 2.1 It is recommended that the Audit Committee consider whether the responses submitted by the Council's management are consistent with its understanding and whether there are any additional comments it wishes to make.

3. Detail

- 3.1 The Council's financial statements are audited by its External Auditor, Grant Thornton.
- 3.2 As part of their risk assessment procedures External Audit are required to obtain an understanding of management processes and the Audit Committee's oversight of the following areas:
- Fraud
 - Laws and regulations
 - Going concern
 - Accounting estimates; and
 - Related parties
- 3.3 Appendix 1 sets out a series of questions asked by External Audit on each of these areas and the responses provided by management.

Informing External Audit's Risk Assessment

Audit Committee

Date: 4th April 2017

4. Alternative Options

4.1 Not Applicable

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 There are no direct financial implications arising from this report.

Legal and Human Rights Implications

5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2015. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

5.3 None

Links to One Swindon, Strategic Objectives, Plans and Policies

5.4 Effective systems of governance and internal control within the Council will help to ensure that the objectives set out in One Swindon and the Council's Corporate Strategy is achieved.

Diversity Impact Assessment

5.5 None

Risk Management

5.6 Not applicable

6. Consultees

6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

7.1 None

8. Appendices

Appendix 1: External Audit letter to those charged with governance

Informing External Audit's Risk Assessment

Audit Committee

Date: 4th April 2017

- 9. Key Decision/Decision in Forward Plan**
Not Applicable

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Purpose

The purpose of this report is to contribute towards the effective two-way communication between the Council's external auditors and the Council's Audit Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit Committee under auditing standards.

Background

Under International Standards on Auditing (UK and Ireland) (ISA(UK&I)) auditors have specific responsibilities to communicate with the Audit Committee. ISA(UK&I) emphasise the importance of two-way communication between the auditor and the Audit Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Audit Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit Committee and supports the Audit Committee in fulfilling its responsibilities in relation to the financial reporting process.

Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the Audit Committee's oversight of the following areas:

- fraud
- laws and regulations
- going concern
- accounting estimates
- related parties.

This report includes a series of questions on each of these areas and the response we have received from the Council's management. The Audit Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make. The responses cover the Council and its related companies.

Fraud

Issue

Matters in relation to fraud

ISA(UK&I)240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit Committee and management. Management, with the oversight of the Audit Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As the Council's external auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud
- process for identifying and responding to risks of fraud, including any identified specific risks
- communication with the Audit Committee regarding its processes for identifying and responding to risks of fraud
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Audit Committee oversees the above processes. We are also required to make inquiries of both management and the Audit Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from the Council's management.

Fraud risk assessment

Question	Management response
Has the Council assessed the risk of material misstatement in the financial statements due to fraud or error? What are the results of this process?	The Section 151 Officer ensures that there are adequate controls in place to mitigate the key risks within the Council's financial processes. Internal Audit provides assurance regarding the adequacy and effectiveness of these controls.
What processes does the Council have in place to identify and respond to risks of fraud?	The Council's Code of Conduct sets out clear expectations regarding an employee's conduct. The Council has in place an Anti-Fraud and Bribery Strategy that is supported by a Whistleblowing Policy and a Fraud Response Plan. The Council has a Fraud Awareness e-learning training package on the Learning Zone. The annual Internal Audit plan, approved by audit Committee, includes proactive fraud work. Internal Audit also issues a Fraud Bulletin that makes staff aware of the types of fraud being committed elsewhere. The Council's Corporate Fraud Team focuses its work on high risk areas such as right to buy, tenancy fraud and Council Tax discounts/exemptions.
Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?	Areas identified as high risk by Internal Audit either through their work on NFI, reviews of relevant documents such as Protecting the Public Purse, previous audit experience, investigations and the experience of colleagues from other authorities and issues raised through the West of England Fraud Group have been included in the annual audit plan. The work of the Corporate Fraud Team is also focussed on high risk areas such as right to buy, tenancy fraud etc.

Fraud risk assessment (continued)

Question	Management response
Are internal controls, including segregation of duties, in place and operating effectively? If not, where are the risk areas and what mitigating actions have been taken?	Internal Audit has provided assurance, for the areas and items tested, that there have been adequate internal control arrangements in place. Recommendations are made to management where there are missing or failing controls.
Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets) ?	I am not aware of any such areas.
How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control? What arrangements are in place to report fraud issues and risks to the Audit Committee?	A Fraud Update report is produced by the Head of Internal Audit which includes reference to investigations, work of the Corporate Fraud Team, output from NFI etc. Audit Committee also has sight of the Council's Anti-Fraud and Bribery Strategy, Whistleblowing Policy and Fraud Response Plan. The Chair of Audit Committee is briefed by the Head of Internal Audit on any significant investigations. Outcomes of Whistleblowing investigations are reported to Standards Committee.

Fraud risk assessment (continued)

Question	
How does the Council communicate and encourage ethical behaviour of its staff and contractors?	Staff are reminded on a regular basis of the Code of Conduct, Gifts and Hospitality and declarations of interest, through the Core Brief etc. The Whistleblowing Policy applies to staff, Members, suppliers and contractors, volunteers and anyone acting on behalf of the Council.
How do you encourage staff to report their concerns about fraud? Have any significant issues been reported ?	The Fraud Bulletin raises potential issues and includes reference to the Whistleblowing Policy. The Whistleblowing Policy is referred to in the Core Brief. The Council has a dedicated whistleblowing hotline. It also has a facility where concerns/allegations regarding fraud can be reported on-line. Significant issues have been reported in the past but no cases of fraud over £10,000 have been investigated during 2016/17.
Are you aware of any related party relationships or transactions that could give rise to risks of fraud ?	I am not aware of any such relationships or transactions. Staff and Members are required to declare any such relationships. Also, all Chief Officers and Statutory Officers are required to make such declarations regarding such issues as part of the closure of the accounts.
Are you aware of any instances of actual, suspected or alleged fraud, either within the Council as a whole or within specific departments since 1 April 2016 ?	Yes. Investigations carried out by Internal Audit are reported to relevant managers/Heads of Service and where necessary appropriate disciplinary action is taken. The Director of Finance and Chair of Audit Committee are kept informed of investigations by the Head of Internal Audit at their 1:1's. The Head of Internal Audit's report summarises fraud investigations undertaken and updates go to Audit Committee. Details of whistleblowing cases go to Standards Committee.
Are you aware of any whistleblower reports or reports under the Bribery Act since 1 April 2016 ? If so, how has the Audit Committee responded to these ?	Yes during 2016/17 (to date) there have been five whistleblowing cases. These were all referred to the Council's Monitoring Officer. All were investigated.

Laws and regulations

Issue

Matters in relation to laws and regulations

ISA(UK&I)250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Audit Committee, is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations including those that determine amounts in the financial statements.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Audit Committee as to whether the entity is in compliance with laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out below together with responses from management.

Impact of laws and regulations

Question	Management response
What arrangements does the Council have in place to prevent and detect non-compliance with laws and regulations ?	<p>All Cabinet reports must be cleared through the Director of Law and Democratic Services.</p> <p>All members of staff are required to comply with the requirements of the Council's Code of Conduct.</p> <p>A risk-based internal audit plan is completed and individual audits, where relevant, will look at compliance with relevant legislation.</p> <p>Procurement surgeries are run where legal and procurement advice is given to ensure compliance with both Council Contract Standing orders and EU requirements.</p>
How does management gain assurance that all relevant laws and regulations have been complied with ?	<p>See above plus:</p> <p>Annual Governance Statement including Heads of Service declarations; Internal Audit reports and Fraud updates provide further assurance.</p>
How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with ?	<p>Annual Governance Statement including Heads of Service declarations; Internal Audit reports and Fraud updates provide further assurance.</p>

Impact of laws and regulations (continued)

Question	Management response
Have there been any instances of non-compliance or suspected non-compliance with laws and regulations since 1 April 2016, or earlier with an on-going impact on the Council's 2016/17 financial statements ?	A number of instances of non-compliance have been identified as a result of an internal audit review of compliance with contract standing orders and these are being addressed. However, there is no material impact on the Council's 2016/17 financial statements.
What arrangements does the Council have in place to identify, evaluate and account for litigation or claims ?	The Director of Law and Democratic Services has oversight of litigation and the necessary legal advice is provided in order to identify and evaluate those claims.
Is there any actual or potential litigation or claims that would affect the financial statements ?	None have been identified at this stage as being material.
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance ?	There are no known such reports.

Going Concern

Issue

Matters in relation to going concern

ISA(UK&I)570 covers auditor responsibilities in the audit of financial statements relating to management's use of the going concern assumption in the financial statements.

The going concern assumption is a fundamental principle in the preparation of financial statements. Under this assumption entities are viewed as continuing in business for the foreseeable future. Assets and liabilities are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

Going concern considerations have been set out below and management has provided its response.

Going concern considerations

Question	Management response
Does the Council have procedures in place to assess the Council's ability to continue as a going concern ?	Cabinet adopted a strategy in recent years to deliberately deliver future years' savings early to build up its reserves to fund the Council's Change Programmes to allow it to transition to a more financially sustainable position. The Council's financial position is under control and despite significant financial pressures in Adult Services and Waste Disposal the budget is being delivered without drawing on General Reserves for the past eight years and a balanced budget in place for 2017/18. The Council also has a balanced profile of investments and borrowing. Cash flows are monitored and repayments for maturing debt factored into forecasts as part of routine Treasury processes. On that basis, the management team feels that the Council's financial position is strong.
Is management aware of the existence of other events or conditions that may cast doubt on the Council's ability to continue as a going concern ?	<p>The Management Team does not consider there are any immediate, significant concerns around the going concern of the authority, although this is included as a medium term risk in the Corporate risk register, due to the combination of increasing demand and falling funding. The financial position of the authority is discussed monthly at Corporate Board and with Cabinet Members (LAG) and is formally reported to Cabinet at least bi-monthly. The Authority has a balanced budget for 2017/18 and has identified a high-level plan to balance future year's budget within the context of a medium term financial outlook.</p> <p>The in-year monitoring statements to Cabinet formally consider all Funds with sections on the HRA and DSG, as well as the core General Fund budget. The key focus of financial discussion at Board and LAG are on future year's financial sustainability.</p>
Are arrangements in place to report the going concern assessment to the Audit Committee ?	The Council's MTRP, which contains the main forecasts for future year budgets, is routinely circulated through Cabinet.

Going concern considerations (continued)

Question	Management response
Are the financial assumptions in that report (e.g. future levels of income and expenditure) consistent with the Council's Business Plan and the financial information provided to the Council throughout the year ?	Yes – the MTRP is consistent through reporting.
Are the implications of statutory or policy changes appropriately reflected in the Business Plan, financial forecasts and report on going concern ?	Yes, where relevant.
Have there been any significant issues raised with the Audit Committee during the year which could cast doubts on the assumptions made ? (Examples include adverse comments raised by internal audit regarding financial performance or significant weaknesses in systems of financial control).	No
Does a review of available financial information identify any adverse financial indicators including negative cash flow ? If so, what action is being taken to improve financial performance ?	No. Treasury activity is such that cash flows are routinely monitored and action taking to ensure funds available.
Does the Council have sufficient staff in post, with the appropriate skills and experience, particularly at senior manager level, to ensure the delivery of the Council's objectives ? If not, what action is being taken to obtain those skills ?	There has been turnover at a senior level within the Council but vacancies have been successfully recruited to on a permanent basis. A recruitment process is underway for the Corporate Director: Children Services role.

Related Parties

Issue

Matters in relation to Related Parties

Councils are required to comply with IAS 24 and disclose transactions with entities/individuals that would be classed as related parties. These may include:

- entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Council (i.e. subsidiaries);
- associates;
- joint ventures;
- an entity that has an interest in the Council that gives it significant influence over the Council;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the Council, or of any entity that is a related party of the Council.

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the Council perspective but material from a related party viewpoint then the Council must disclose it.

ISA (UK) 550 requires us to review your procedures for identifying related party transactions and obtain an understanding of the controls that you have established to identify such transactions. We will also carry out testing to ensure the related party transaction disclosures you make in the financial statements are complete and accurate.

Question

What controls does the Council have in place to identify, account for and disclose related party transactions and relationships ?

Management response

Each senior manager is required to complete a disclosure as part of the accounts closing process.

Accounting estimates

Issue

Matters in relation to accounting estimates

Councils apply appropriate estimates in the preparation of their financial statements. ISA (UK) 540 sets out requirements for auditing accounting estimates. The objective is to gain evidence that the accounting estimates are reasonable and the related disclosures are adequate.

Under this standard we have to identify and assess the risks of material misstatement for accounting estimates by understanding how the Council identifies the transactions, events and conditions that may give rise to the need for an accounting estimate.

Accounting estimates are used when it is not possible to measure precisely a figure in the accounts. We need to be aware of all estimates that the Council is using as part of its accounts preparation; these are detailed in Appendix A to this report. The audit procedures we conduct on the accounting estimate will demonstrate that:

- the estimate is reasonable; and
- estimates have been calculated consistently with other accounting estimates within the financial statements.

We would ask the Audit Committee to satisfy itself that the arrangements for accounting estimates are adequate.

Question

Are the management arrangements for the accounting estimates, as detailed in Appendix A reasonable ?in App

How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate ?

Management response

Yes – professionally qualified staff provide their best estimates using information available.

Confirmation of professional judgement is provided within the annual accounts, along with updates through the year where any changes to past process are required, and the impact thereof.

Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Property valuations	Property valuations are made by the external valuers.	Valuers notified of changes to the estate from the prior year.	Use of internal valuers (RICS qualified).	Valuations are made in-line with the CIPFA Code of Practice guidance - reliance on expert	No
Estimated remaining useful lives of PPE	Assets are assigned to asset categories with appropriate asset lives.	Consistent asset lives applied to each asset category.	Use of internal valuers (RICS qualified).	The useful lives of property are recorded in accordance with the recommendations of the external RICS qualified valuers.	No
Depreciation	Depreciation is provided for on property plant and equipment with a finite useful life on a straight-line basis.	Consistent application of depreciation method across assets.	No	The length of the life is determined at the point of acquisition or revaluation.	No

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Impairments	Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.	Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.	Use of internal valuers (RICS qualified).	Valuations are made in-line with the CIPFA Code of Practice guidance - reliance on expert.	No
Provision for doubtful debts	A provision is estimated using a proportion basis of an aged debt listing.	The finance team calculate the provision.	No	A percentage is applied to the debtors based on the aging.	No

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Measurement of Financial Instruments	Measurements are obtained from appropriate sources. The Council follows the requirements of the CIPFA Code of Practice.	The financial instruments are measured by the finance team and the accounts are reviewed by the s151 officer.	No	The measurements are based upon the best information held at the current time.	No
Creditor accruals	Accruals are estimated by reviewing goods and services received prior to the end of the financial year for which an invoice has not been received.	The date of receipt of the goods and services is used in the estimation of the accrual.	No	The use of actual dates of receipt of goods and services gives a low degree of uncertainty.	No
Pension Fund Actuarial gains/losses	The actuarial gains and losses figures are calculated by the actuary Hymans Robertson. These figures are based on making % adjustments to the closing values of assets/liabilities.	For the LGPS the Council responds to queries raised by the administering authority Wiltshire Council	The Council are provided with an actuarial report by Hymans Robertson.	The nature of these figures forecasting into the future are based upon the best information held at the current time and are developed by experts in their field.	No

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Overhead allocation	The finance team apportion central support costs to services based on appropriate bases.	All support service cost centres are allocated according to the agreed processes.	No	Appropriate bases are reviewed each year to ensure equitable.	No
Business Rates Appeals	Appeals are categorised by type of appeal. The potential loss is established by applying specific local knowledge to any high value appeals and applying appropriate risk-based calculations for each case based on individual factors of type, age and rateable value.	The assumptions used are reviewed by management on an ongoing basis as required.	No	The number of appeals can not be certain and the materiality of the appeals can only be estimates.	No



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The Audit Plan for Swindon Borough Council

Year ended 31 March 2017

16 March 2017

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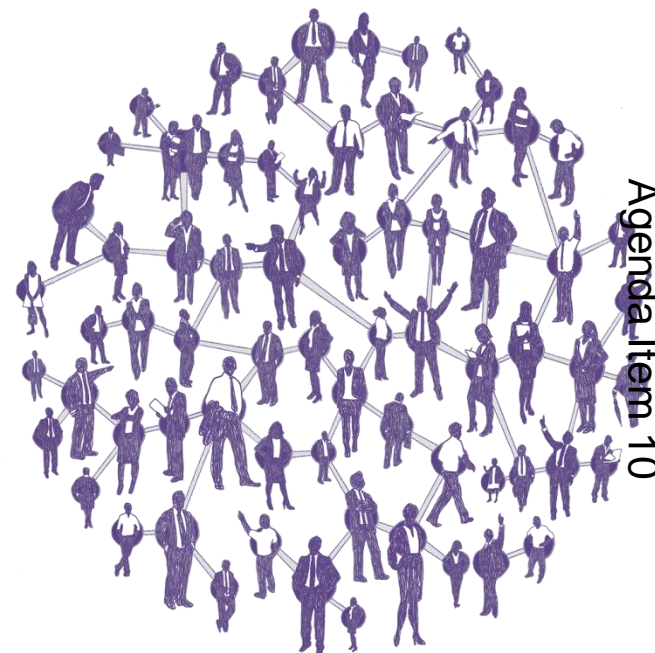
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Dear Members of the Audit Committee

Audit Plan for Swindon Borough Council for the year ending 31 March 2017

This Audit Plan sets out for the benefit of those charged with governance (in the case of Swindon Borough Council, the Audit Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the Council and your environment. The contents of the Plan have been discussed with management.

We are required to perform our audit in line with Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015. Our responsibilities under the Code are to:

- give an opinion on the Council's financial statements
- satisfy ourselves the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements which give a true and fair view.

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change. In particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We look forward to working with you during the course of the audit.

Yours sincerely

Liz Cave

Engagement Lead

Chartered Accountants

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Appendices

Appendix 1 Action plan

Understanding your business and key developments

Developments

Housing Company

At the time of drafting our Plan the Council is considering establishing arrangements for securing additional housing through the use of a development company.

Transformation of Council services

The Council continues to work on its transformation programme linked to its key objectives. The establishment of further parish councils and the transfer of services to them has been completed.

Linked to the closure of the Community interest Company SEQOL, social care staff have transferred back to the Council and officers continue to manage and develop the provision of related services. On-going work with the NHS in the provision of adult social care continues to be a key area.

Establishment of solar energy company

The Council has established a second solar energy company at Chapel Farm. The assets will be included in the Council's Group accounts.

Key challenges

Autumn Statement

The Chancellor detailed plans in the Autumn Statement to increase funding for Housing and Infrastructure, and further extend devolved powers to Local Authorities. In his spring Budget in March he announced a further £2bn of national funding for adult social care. Officers have identified locally this will result in some £2.9m one off funding.

<https://grantthornton.jiveon.com/groups/autumn-statement-2014>

Key performance indicators

Measure	Value	Trend
Outturn	£6.3m Overspend	Worsening
Funding Gap in the efficiency statement 2018/19 and 2019/20.	£31m	On-going
In 2016/17 adult social care is predicted to overspend by £4.6m. The Council is considering increasing the related budget in 2017/18 by £7m. Also overspends in Children's and Place balanced by underspends on Corporate and Resources.		

Financial reporting changes

CIPFA Code of Practice 2016/17 (the Code)

Changes to the Code in 2016/17 reflect aims of the 'Telling the Story' project, to streamline the financial statements to be more in line with internal organisational reporting and improve accessibility to the reader of the financial statements.

The changes affect the presentation of the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statements, segmental reporting disclosures and a new Expenditure and Funding Analysis note has been introduced. The Code also requires these amendments to be reflected in the 2015/16 comparatives by way of a prior period adjustment.

Earlier closedown

The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 July by the 2017/2018 financial year. This will be a key challenge for the Council and we are working with officers to bring work forward this year in preparation.

We note the recent decision to defer the introduction of changes to the accounts for the Council's Highways Network Asset.

Sale of Thamesdown Transport

The Council completed the sale of its bus company in February. We are discussing the accounting for the sale proceeds.

Our response

- We aim to complete all our substantive audit work of your financial statements by 31st July 2017.
- As part of our opinion on your financial statements, we will consider whether your financial statements accurately reflect the financial reporting changes in the 2016/17 Code.
- We will review the Council's progress in managing its budgetary pressures.
- We will keep you informed of changes to the financial reporting requirements for 2016/17 through on-going discussions and invitations to our technical update workshops.

Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. An item does not necessarily have to be large to be considered to have a material effect on the financial statements. An item may be considered to be material by nature, for example, when greater precision is required (e.g. senior manager salaries and allowances).

We determine planning materiality (materiality for the financial statements as a whole determined at the planning stage of the audit) in order to estimate the tolerable level of misstatement in the financial statements, assist in establishing the scope of our audit engagement and audit tests, calculate sample sizes and assist in evaluating the effect of known and likely misstatements in the financial statements.

We have determined planning materiality based upon professional judgement in the context of our knowledge of the Council. In line with previous years, we have calculated financial statements materiality based on a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £10m (being 1.88% of gross revenue expenditure). In the previous year, we determined materiality to be £10.277m (being 2% of gross revenue expenditure). Our assessment of materiality is kept under review throughout the audit process and we will advise you if we revise this during the audit.

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. "Trivial" matters are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £0.500m.

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'. We have identified the following items where separate materiality levels are appropriate:

Balance/transaction/disclosure	Explanation	Materiality level
Disclosure of the auditors' remuneration in the notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£20,000
Disclosures of officers' remuneration, salary bandings and exit packages in the notes to the financial statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£20,000

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK and Ireland) 320)

Significant risks identified

An audit is focused on risks. Significant risks are defined by ISAs (UK and Ireland) as risks that, in the judgment of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Description	Audit procedures
The revenue cycle includes fraudulent transactions	<p>Under ISA (UK and Ireland) 240 there is a presumed risk that revenue streams may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Swindon Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Swindon Borough Council, mean that all forms of fraud are seen as unacceptable <p>Therefore we do not consider this to be a significant risk for Swindon Borough Council.</p>
Management over-ride of controls	<p>Under ISA (UK and Ireland) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p>	<p>Work completed to date:</p> <ul style="list-style-type: none"> • Review of journal entry process and controls <p>Further work planned:</p> <ul style="list-style-type: none"> • Review of accounting estimates, judgments and decisions made by management • Testing of journal entries • Review of unusual significant transactions

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK and Ireland) 315) . In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK and Ireland) 550)

Significant risks identified (continued)

We have also identified the following significant risks of material misstatement from our understanding of the entity. We set out below the work we have completed to date and the work we plan to address these risks.

Significant risk	Description	Audit procedures
Valuation of property, plant and equipment	The Council revalues its assets on a rolling basis over a five year period. The Code requires that the Council ensures that the carrying value at the balance sheet date is not materially different from the current value. This represents a significant estimate by management in the financial statements.	<p>Work completed to date:</p> <ul style="list-style-type: none"> • Walkthrough of the PPE process. • Review of the competence, expertise and objectivity of management experts used. • Discussions with valuer about the basis on which the valuation is carried out and challenge of the key assumptions. <p>Further work planned:</p> <ul style="list-style-type: none"> • Testing of revaluations made during the year to ensure they are input correctly into the Council's asset register. • Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding. • Evaluation of the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value. • Review of accounting estimates, judgements and decisions made by the Valuer. • Review of unusual significant transactions.

Significant risks identified (continued)

Significant risk	Description	Audit procedures
Valuation of pension fund net liability	The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.	<p>Work planned:</p> <ul style="list-style-type: none"> We will identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. We will review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out. We will undertake procedures to confirm the reasonableness of the actuarial assumptions made. We will review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.
Changes to the presentation of local authority financial statements	<p>CIPFA has been working on the 'Telling the Story' project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 Code of Practice.</p> <p>The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.</p>	<p>Work completed to date:</p> <ul style="list-style-type: none"> We have documented and evaluated the process for the recording the required financial reporting changes to the 2016/17 financial statements. We have reviewed the re-classification of the Comprehensive Income and Expenditure Statement (CIES) comparatives to ensure that they are in line with the Authority's internal reporting structure. We have reviewed the appropriateness of the revised grouping of entries within the Movement In Reserves Statement (MIRS). <p>Further work planned:</p> <ul style="list-style-type: none"> We will test the classification of income and expenditure for 2016/17 recorded within the Cost of Services section of the CIES. We will test the completeness of income and expenditure by reviewing the reconciliation of the CIES to the general ledger. We will test the classification of income and expenditure reported within the new Expenditure and Funding Analysis (EFA) note to the financial statements. We will review the new segmental reporting disclosures within the 2016/17 financial statements to ensure compliance with the CIPFA Code of Practice.

Other risks identified

Reasonably possible risks (RPRs) are, in the auditor's judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR or other risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

Reasonably possible risks	Description of risk	Audit procedures
Operating expenses	Year end creditors and accruals are understated or not recorded in the correct period.	<p>Work completed to date:</p> <ul style="list-style-type: none"> Completed walkthrough of system and associated controls Testing of operating expenses from period one to nine <p>Further work planned:</p> <ul style="list-style-type: none"> Testing of the final three months of the year Review of unrecorded liabilities and post year end payments to ensure all liabilities identified Review of accruals Determine whether liabilities have been recorded in the correct period
Employee remuneration	Employee remuneration accruals are understated	<p>Work completed to date:</p> <ul style="list-style-type: none"> Completed walkthrough of system and associated controls Testing of employee remuneration expenses from period one to nine <p>Further work planned:</p> <ul style="list-style-type: none"> Trend analysis of payroll expenditure by month to identify any significant variances Review of post year end payments to ensure all expenditure included Review of reconciliation of gross payroll to ledger to ensure complete

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK and Ireland) 315)

Other risks identified (continued)

Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK and Ireland) 570). We will review the management's assessment of the going concern assumption and the disclosures in the financial statements.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous sections but will include:

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- Heritage assets
- Assets held for sale
- Cash and cash equivalents
- Trade and other receivables
- Borrowings and other liabilities (long and short term)
- Provisions
- Useable and unusable reserves
- Movement in Reserves Statement and associated notes
- Statement of cash flows and associated notes
- Financing and investment income and expenditure
- Taxation and non-specific grants
- Schools balances and transactions
- New note disclosures
- Officers' remuneration note
- Leases note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Housing Revenue Account and associated notes
- Collection Fund and associated notes

Group audit scope and risk assessment

In accordance with ISA (UK and Ireland) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component[/s]	Significant?	Level of response required under ISA (UK and Ireland) 600	Risks identified	Planned audit approach
Public Power Solutions (formerly Swindon Commercial Services)	Yes	Targeted	Revenue recognition	Liaise with Company Auditor review their reports and review accounting policies
Thamesdown Transport	No	Targeted	Revenue recognition	Liaise with Company Auditor review their reports and review accounting policies
Forward Swindon	No	Analytical	N/A	Desktop review performed by GT UK

Key changes within the group:

- Thamesdown Transport was sold in February 2017.

Audit scope:

Comprehensive – the component is of such significance to the group as a whole that an audit of the components financial statements is required

Targeted – the component is significant to the Group, audit evidence will be obtained by performing targeted audit procedures rather than a full audit

Analytical – the component is not significant to the Group and audit risks can be addressed sufficiently by applying analytical procedures at the Group level

Involvement in the work of component auditors

The nature, time and extent of our involvement in the work of the component auditors will begin with a discussion on risks, guidance on designing procedures, participation in meetings, followed by the review of relevant aspects of the component audit documentation and meeting with appropriate members of management.

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

The guidance identifies one single criterion for auditors to evaluate:

all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

This is supported by three sub-criteria as set out opposite:

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Value for Money (continued)

Risk assessment

We have carried out an initial risk assessment based on the NAO's auditor's guidance note (AGN03). In our initial risk assessment, we considered:

- our cumulative knowledge of the Council, including work performed in previous years in respect of the VfM conclusion and the opinion on the financial statements.
- the findings of other inspectorates and review agencies.
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

We have identified significant risks which we are required to communicate to you. These are set out overleaf.

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Reporting

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

We will include our conclusion in our auditor's report on your financial statements which we will give by 18th September 2017.

Value for money (continued)

We set out below the significant risks we have identified as a result of our initial risk assessment and the work we propose to address these risks.

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Significant risk	Link to sub-criteria	Work proposed to address
Financial Planning The Council is currently forecasting that it will overspend its 2016/17 revenue budget by £6.5m. For 2017/18 budget savings of of £7.5m have been assessed and a contingency of £4.1m has been established to cover non-delivery. There is a risk that the savings plans for both years will not be delivered as planned.	This links to the Council's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.	To support our work to give our conclusion on the Council's arrangements for planning finances we will review how the Council has built up its savings plans and risk assessed the prospects for delivering them.
Adult Social Care In common with many other councils nationally Swindon's Adult social Care Services are under considerable pressure. It is projected currently the Service will overspend its budget by £4.6m this year. There is a risk demand cannot be managed and the service cannot be funded in the medium term.	This links to the Council's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.	We will review: <ul style="list-style-type: none"> - actions to contain the current overspend, - longer term actions to manage demand and to transform services.

Other audit responsibilities

In addition to our responsibilities under the Code of Practice in relation to your financial statements and arrangements for economy, efficiency and effectiveness we have a number of other audit responsibilities, as follows:

- We will undertake work to satisfy ourselves that the disclosures made in your Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read your Narrative Statement and check that it is consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We consider our other duties under the Act and the Code, as and when required, including:
 - We will give electors the opportunity to raise questions about your financial statements and consider and decide upon any objections received in relation to the financial statements;
 - issue of a report in the public interest; and
 - making a written recommendation to the Council, copied to the Secretary of State
- We certify completion of our audit.

Results of interim audit work

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

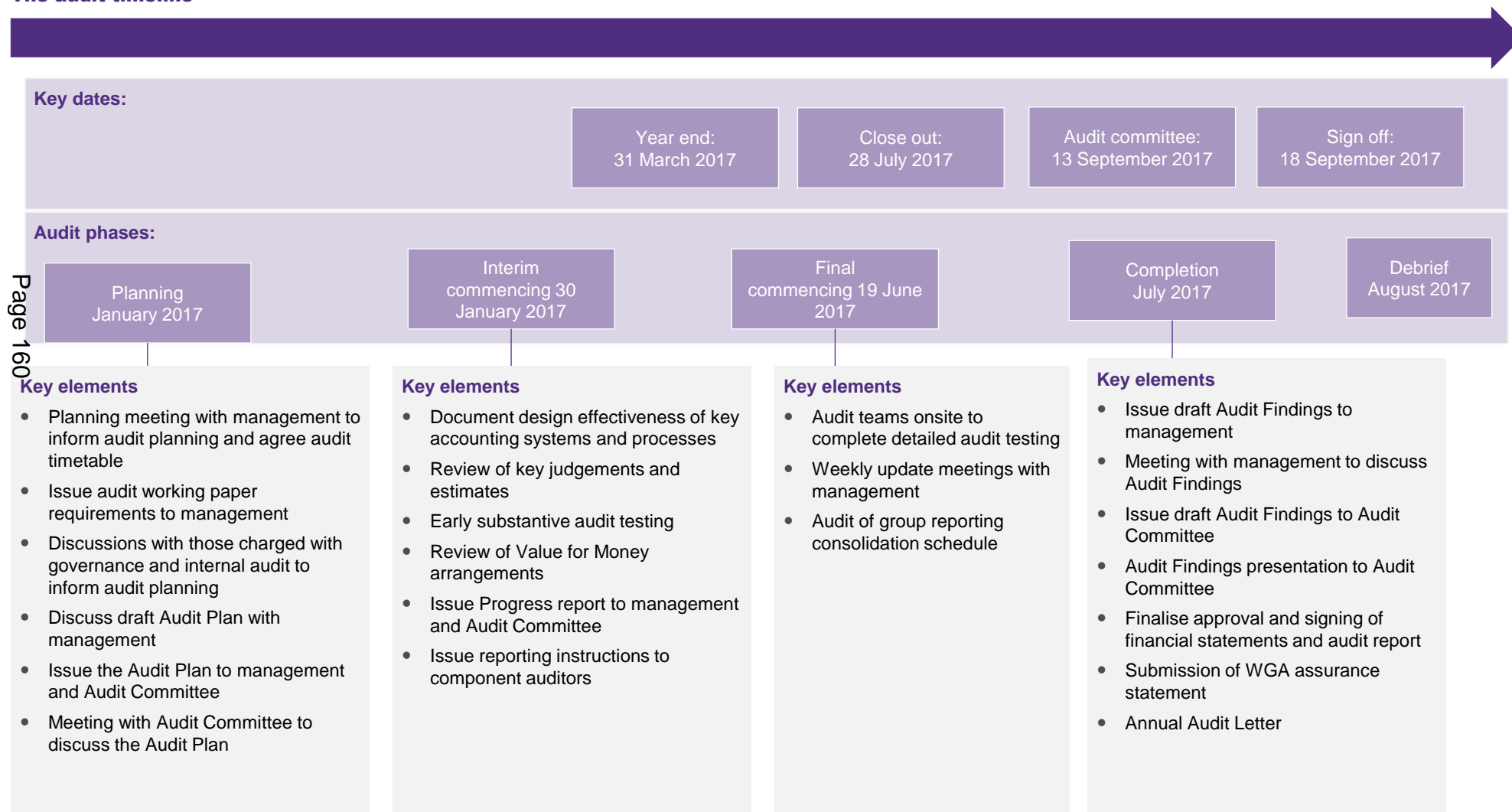
	Work performed	Conclusion
Internal audit	<p>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention.</p> <p>We have also reviewed internal audit's work on the Council's key financial systems to date. We have not identified any significant weaknesses impacting on our responsibilities.</p>	<p>Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment.</p> <p>Our review of internal audit work has not identified any weaknesses which impact on our audit approach.</p>
Entity level controls	<p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none">• Communication and enforcement of integrity and ethical values• Commitment to competence• Participation by those charged with governance• Management's philosophy and operating style• Organisational structure• Assignment of authority and responsibility• Human resource policies and practices	<p>Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements</p>
Review of information technology controls	<p>Our information systems specialist performed a high level risk assessment of the general IT control environment as part of our planning process. Our specialist is undertaking further detailed work currently.</p>	<p>We currently have no issues to report.</p>

Results of interim audit work (continued)

	Work performed	Conclusion
Walkthrough testing	We have completed walkthrough tests of the Council's controls operating in areas where we consider that there is a risk of material misstatement to the financial statements.	Our work has not identified any weaknesses which impact on our audit approach or which we wish to bring to your attention. Internal controls have been implemented by the Council in accordance with our documented understanding.
Journal entry controls	<p>We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy.</p> <p>We have identified the following matters:</p> <ul style="list-style-type: none"> - a member of the finance team can post and authorise their own journals. - the review of journals over £1.6m (as per policy) is not being consistently documented. - review of the exception reports (eg to identify those requiring review) is not being consistently documented. 	<p>This issue was raised last year.</p> <p>Weaknesses exist within journal control procedures. We will take account of these matters in designing our audit tests.</p>
Early substantive testing	<p>Operating Expenses - testing of the occurrence and valuation of a sample of operating expense payments from period one to nine.</p> <p>Employee Remuneration - testing of the occurrence and valuation of a sample of payroll transactions raised from period one to nine.</p>	We have no matters to report.

The audit cycle

The audit timeline



Audit Fees

Fees

	£
Council audit	128,378
Grant Certification	13,500
Total audit fees (excluding VAT)	141,878

Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list
- The scope of the audit, and the Council and its activities, have not changed significantly
- The Council will make available management and accounting staff to help us locate information and to provide explanations
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

Grant certification

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

Fees for other services

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

What is included within our fees

- A reliable and risk-focused audit appropriate for your business
- Invitations to events hosted by Grant Thornton in your sector, as well as the wider finance community
- Ad-hoc telephone calls and queries
- Technical briefings and updates.

Independence and non-audit services

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and we confirm that we are independent and are able to express an objective opinion on the financial statements.

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

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to Client Name. The following audit related and non-audit services were identified for the Council for 2016/17:

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Fees for other services		
Service	Fees £	Planned outputs
Audit related		
Review of Homes and communities agency return	2,500	Assurance to the Grant Paying Body
Review of Teacher's pension return	4,200	Reporting Accountant's report to the Teachers Pension Agency
Review of pooling of capital receipts return	2,200	Certificate on return to the DCLG
Non-audit related		
None currently		

The amounts detailed are fees agreed to-date for audit related and non-audit services (to be) undertaken by Grant Thornton UK LLP (and Grant Thornton International Limited network member Firms) in the current financial year. Full details of all fees charged for audit and non-audit services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

The above services are consistent with the Council's policy on the allotment of non-audit work to your auditors.

Communication of audit matters with those charged with governance

International Standard on Auditing (UK and Ireland) (ISA) 260, as well as other ISAs (UK and Ireland) prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

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

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

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK and Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psaa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO and includes nationally prescribed and locally determined work (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern	✓	✓
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	✓	✓

Appendix 1: Action plan

Priority

High - Significant effect on control system

Medium - Effect on control system

Low - Best practice

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
Page 164	<p>Journal Control Procedures:</p> <p>Finance team members should not be able to authorise and post their own journals</p> <p>The review of journals over £1.6m should be consistently evidenced.</p> <p>The review of exception reports should be consistently documented.</p>	High	<p>Agreed.</p> <p>The current policy is to undertake a review of journals over £1.6m and to document that this has been done. We will examine the opportunity to simplify the process and evidence the separation of duties within the system.</p>	<p>Finance Manager (Corporate)</p> <p>June 2017</p>



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Audit Committee Progress and Update Report for Swindon Borough Council *Year ended 31 March 2016*

4 April 2017

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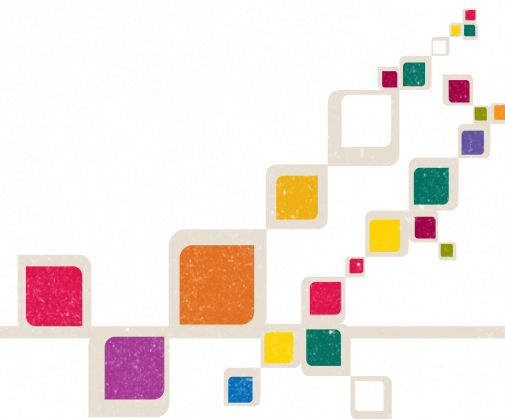
Executive

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



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Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications including:

- CFO Insights – reviewing council's 2015/16 spend (December 2016); <http://www.grantthornton.co.uk/en/insights/cfo-insights-reviewing-councils-201516-spend/>
- Fraud risk, 'adequate procedures', and local authorities (December 2016); <http://www.grantthornton.co.uk/en/insights/fraud-risk-adequate-procedures-and-local-authorities/>
- New laws to prevent fraud may affect the public sector (November 2016); <http://www.grantthornton.co.uk/en/insights/new-laws-to-prevent-fraud-may-affect-the-public-sector/>
- Brexit: local government = transitioning successfully (December 2016) <http://www.grantthornton.co.uk/en/insights/brexit-local-government--transitioning-successfully/>

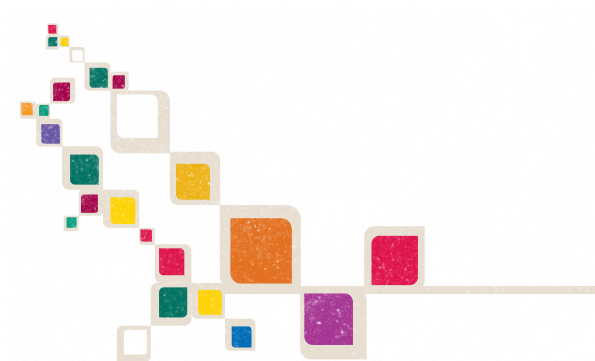
If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



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Progress at 4 April 2017

2016/17 audit



Progress against plan
On track

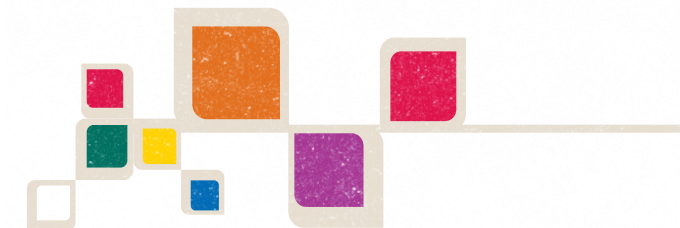
Opinion and VfM conclusion
On Track

Outputs delivered Fee letter

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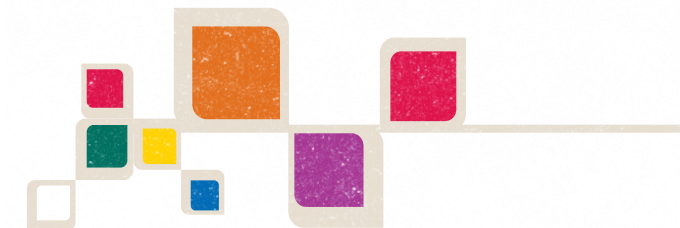
2016/17 work	Completed	Comments
Fee Letter We issued the 'Planned' fee letter for 2016/17 in April 2016.	April 2016	
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2016-17 financial statements. We also inform you of any subsequent changes to our audit approach.	April 2017	Reported to the April Audit Committee meeting
Interim accounts audit Our interim fieldwork visit includes: <ul style="list-style-type: none"> • updating our review of the Council's control environment • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing 	Yes	Reported in Accounts Audit Plan.

Progress at 4 April 2017



2016/17 work	Completed	Comments
Final accounts audit Including: <ul style="list-style-type: none"> Audit of the 2016-17 financial statements proposed opinion on the Council's accounts 	No	The matters arising from our work will be reported to the September Audit Committee.
Value for money Including review of arrangements and risks identified in the Accounts Audit Plan.	No	The matters arising from our work will be reported to the September Audit Committee.
Grant Certification We are required to complete work on the following returns: <ul style="list-style-type: none"> Housing Benefit Homes and Communities Agency return Teachers Pension Return Pooled capital receipts return 	N/A	Our work will be completed by the deadline of 30 November 2017.
Other activities We provide a range of workshops, along with network events for members and publications to support the Council.	On-going	Our accounts workshop took place on 1 st March 2017.
Annual Audit Letter	No	The Annual Audit Letter will be completed by October 2017.

Progress at 4 April 2017



2015/16 work

Fee Up-date

Following completion of our work to meet the September 2016 accounts deadline and the October 2016 Whole of Government accounts deadline we have agreed a small fee variation with the Council's Director of Resources and Transformation. This reflects the complexity of auditing the Council's Group Accounts.

Due to the delay around agreeing the fee variation, reflecting the changes in staffing at the Council, the following is reported to the April Audit Committee.

The fees are analysed in the table below. The proposed fee variation is subject to authorisation by Public Sector Audit Appointments and is therefore not final.

Fees

	2015/16 fees £	2014/15 fees £
Statutory audit of Council	128,378	171,170
Proposed Variation	5,169	-
Total fees (excluding VAT)	133,547	171,170

The 2016/17 fee is set at the same level as 2015/16, £128,378.

Technical Matters

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Highways network asset accounting update

At its meeting on March 8th, CIPFA decided not to proceed with the introduction of the Highways Network Asset into the financial reporting requirements for local authorities. Previously the intention was to provide central cost data for aspects of the highways network. CIPFA decided that in the absence of central support for key elements of the valuation, the benefits are outweighed by the costs of implementation for local authorities.

Public finances in practice

ICAEW publications

Public finances are under strain in many European countries and this has an impact on the ability of Governments to deliver shared goals of stable and sustainable growth.

The Institute Of Chartered Accountants In England and Wales (ICAEW) has recently published a report '*public finances in practice*' which captures the insights of senior finance professionals in ten different EU states.

Although the report is focussed on national governments, the findings are relevant for any public sector organisation.

The report recognises that better public financial management is a key enabler of a sustainable economic future. It notes that the improvement of public financial management cannot be achieved through improved standards alone and that organisations need to take some action themselves across three broad themes:

Structure

- There is a need to clearly define roles and responsibilities within finance teams. This enables the setting and review of objectives, reduces inefficiencies and improves accountability.
- Clarity of roles also helps to create a strong culture of responsibility and ownership, which helps to foster a wider organisational culture of good financial management.
- Effective financial management requires effective scrutiny, via robust internal control systems and independent external audit.
- To maintain effective scrutiny, proper questioning of the annual budget and review of performance against budget should occur.

- Transparency can be improved by providing the right sort of data in an understandable way, organisations should explore innovative ways to present information in a more intelligible way to improve transparency.

Processes and Systems

- Access to high quality financial information is key. Data should be timely, well controlled and IT systems should be utilised to gather it effectively.
- Data should be used in a way that it can show the real-time financial position of the organisation.
- Such information should be used to its full potential, and gathered so it can be presented in a user-friendly way. The way information is presented is more important than the quantity of data.

People

- Recruitment and retention of high quality finance professionals is a key challenge. Organisations should consider altering recruitment processes, offering flexible working arrangements and providing clear direction on career progression to assist with this challenge.
- Whilst senior individuals often have the necessary skills, below this level skills and qualifications can vary quite considerably.
- There is also a need to encourage finance professionals to think more broadly, to enable them to consider the bigger picture of how finance fits within service delivery and safeguarding of the financial position.

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Off-payroll working in the public sector

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The Chancellor's Autumn Statement 2016 speech delivered a number of changes that will impact the UK business environment and raise considerations for you as an employer.

In particular, the Chancellor announced that the measures that were proposed in Budget 2016 that could affect services supplied through personal service companies (PSCs) to the public sector will be implemented.

At present, the so-called IR35 rules require the worker to decide whether PAYE and NIC are due on the payments made by a PSC following an engagement with a public sector body. The onus will be moved to the payer from April 2017. This might be the public sector body itself, but is more likely to be an intermediary, or, if there is a supply chain, to the party closest to the PSC.

The public sector body (or the party closest to the PSC) will need to account for the tax and NIC and include details in their RTI submission.

The existing IR35 rules will continue outside of public sector engagements.

HMRC Digital Tool – will aid with determining whether or not the intermediary rules apply to ensure of “consistency, certainty and simplicity”

When the proposals were originally made, the public sector was defined as those bodies that are subject to the Freedom of Information rules. It is not known at present whether this will be the final definition. Establishing what bodies are caught is likely to be difficult however the public sector is defined.

A further change will be that the 5% tax free allowance that is given to PSCs will be removed for those providing services to the public sector.

Impact

- Increased costs
- Responsibility moved to the engager
- Increased risks for the engager
- Consider current arrangements in place

Areas / risks to consider

- Interim and / or temporary staff engaged through an intermediary or PSC
- Where using agencies ensure they're UK based and operating PAYE
- Update on-boarding / procurement systems, processes and controls
- Additional take on checks and staff training / communications
- Review of existing PSC contractor population before April 2017
- Consider moving long term engagements onto payroll



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Head of Internal Audit Update

Audit Committee

Date: 4th April 2017

Author: Head of Internal Audit
Wards: None
Locality Affected: None
Parishes Affected: None

1. Purpose and Reasons

- 1.1 To present Members with a summary of the main issues arising from the Internal Audit reports finalised since the Audit Committee meeting in February 2016, to update Members with regard to progress against the annual internal audit plan and other key issues.
- 1.2 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating properly.
- 1.3 The Council's Internal Audit section is a key component of the assurance framework and therefore it is essential that this Committee monitor its performance against the annual plan along with the implementation of agreed recommendations by Client departments.

2. Recommendations

The Committee is recommended to:

- 2.1 It is recommended that the contents of the report be noted.

3. Detail

Progress on completion of Internal Audit Plan 2016/17

- 3.1 Details of audits finalised since the September Audit Committee meeting are set out in Appendix 1. The appendix sets out the key audit recommendations made along with the overall risk assessment to the Council.
- 3.2 Appendix 2 sets out progress against the 2016/17 plan as at the year-end. As at the end of February 2017, 69% of the number of audits in the audit plan has been completed against a target of 82%. It is expected that the year-end figure will be approaching 85% against the target of 90%. The section has been without a Senior Auditor between January and March.
- 3.3 Customer Feedback received during 2016/17 shows that 83% of respondents rate the audit provided as between good and excellent against a target of 86%. No respondents have rated the service as below average or poor.

Further information on the subject of this report can be obtained from Nick Hobbs,
Direct Dial Telephone Number: 01793 463940, nhobbs@swindon.gov.uk.

Head of Internal Audit Update

Audit Committee

Date: 4th April 2017

Staffing update

- 3.4 The section is advertising for a Senior Auditor role to fill the current vacancy.

Corporate Fraud Team

- 3.5 Continued HRA funding for the Corporate Fraud Team has been agreed with the Head of Housing Services for 2017/18.
- 3.6 The Corporate Fraud Team has received a total of 348 referrals in the seven months to 31/10/16, compared to a total of 88 in the whole of 2015/16. To the end of February the team has:
- Recovered 11 housing properties (estimated savings £198,000)
 - Stopped 8 Right to Buy applications stopped (discount value: £418,123)
 - Other savings/invoiced amounts of £53,456.57
 - Total savings and nominal savings to date amount to: £669, 579
- 3.7 The Corporate Fraud Team carry out three stages of check during the 'right to buy' process. The number of checks carried out to date during 2016/17:
- Initial checks: 113
 - Second checks: 107
 - Money laundering checks: 28
- 3.8 As part of the checking process prospective purchasers are now informed that their application details will be checked by the Corporate Fraud Team. Since the introduction of this reference in a letter 47 applicants have withdrawn their interest. This cannot be put down solely to the introduction of this letter but it clearly can act as a deterrent.

4. Alternative Options

- 4.1 Not Applicable

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no direct financial implications arising from this report.

Legal and Human Rights Implications

- 5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2015. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

Head of Internal Audit Update

Audit Committee

Date: 4th April 2017

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

5.3 None

Links to One Swindon, Strategic Objectives, Plans and Policies

5.4 Internal Audit's remit is to examine the adequacy of the Council's governance, risk management and internal controls. Effective systems of governance, risk management and internal control within the Council will help to ensure that the objectives set out in One Swindon and the Council's Corporate Strategy is achieved.

Diversity Impact Assessment

5.5 None

Risk Management

5.6 Potential risks to the Council are identified in the individual audit reports summarised in Appendices 1 and 2.

6. Consultees

6.1 The Corporate Director: Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

6.2 All Heads of Service, Board Directors and Members who have contributed to individual audits to date during the course of 2016/17.

7. Background Papers

7.1 None

8. Appendices

Appendix 1 – Internal Audit Reports finalised since the February 2017 Audit Committee.

Appendix 2 – Progress against the Internal Audit plan 2016/17

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Internal Audit reports finalised since the February 2017 Audit Committee meeting

Audit Title:	Stores and Equipment Management – Follow Up						
Date of Report:	January 2017			Materiality/Impact:		High	
Number of ‘High Priority’ Recommendations:	1	Current Audit Opinion:	3	Previous Audit Opinion:	3	Overall Evaluation (Risk):	Of concern
<p><u>Key Recommendations</u></p> <p>Since the previous audit, there has been clear engagement of responsible officers to undertake improvements and implement the recommendations from the original audit. As a result, fourteen of the eighteen recommendations made in the previous audit have either been implemented or partially implemented.</p> <p>However, one key, high risk recommendation has not yet been fully implemented, which relates to the introduction of a new tool and plant equipment register. An old and unsupported version of DATAstox is still currently in use as the equipment management system and therefore the inherent risk to the safety of staff (and the exposure to the Council that this presents) means it is not appropriate to change the level of audit opinion at this stage. It should be clear that the responsibility for this recommendation is the Fleet and Workshops Team (rather than Stores), who are progressing with the process of implementing a new software system, it is understood that the system has received IT approval and will now be procured (after which further time will be required to ensure records going forward are up to date and reliable).</p> <p>Regarding Stores specifically, the follow up has found that there are no outstanding high risk areas and any remaining, lower priority recommendations not yet fully implemented are considered to be in hand and covered within the current Stores Action Plan.</p>							

Audit Title:	NNDR						
Date of Report:	6 th February 2017			Materiality/Impact:		High	
Number of ‘High Priority’ Recommendations:	0	Current Audit Opinion:	2	Previous Audit Opinion:	1	Overall Evaluation (Risk):	Moderate
<p><u>Key Recommendations</u></p> <p>There are no key recommendations as a result of the review.</p>							

APPENDIX 1

Audit Title:	Cheque Refunds Investigation					Date of Report:		11/10/16		
Date of Report:		February 2017			Materiality/Impact:			Medium		
Number of ‘High Priority’ Recommendations:		N/A	Current Audit Opinion:		N/A	Previous Audit Opinion:		N/A	Overall Evaluation (Risk):	N/A
A review of cheque refunds and payments was conducted following instances of fraud by a member of staff were identified during an investigation conducted in response to a whistleblowing allegation. No recommendations were made during the review.										

Audit Title:	Safeguarding (CSE)						
Date of Report:	February 2017			Materiality/Impact:		Medium	
Number of ‘High Priority’ Recommendations:	6	Current Audit Opinion:	3	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):	Moderate
<u>Key Recommendations</u>							
The key recommendations made as a result of the review are:							
<ul style="list-style-type: none">• The Council’s Strategy to Prevent Child Sexual Exploitation should be reviewed, and updated as appropriate, to reflect current knowledge and understanding of the prevalence of CSE locally and nationally, along with the Council’s objectives and intended outcomes.• The Council should continue to use its data to inform practice and direct activities. To supplement this, discussions should be held with Wiltshire Police to establish whether they could expand the contents of the Partnership Profile in order to provide more detailed underlying data to support the themes identified from analysis of information held.• The Delivery Plan should be updated to ensure that it clearly reflects the objectives of the revised CSE Strategy• In accordance with the CSE Strategy and Terms of Reference for the CSE Working Group, Lead Officers should provide timely, accurate updates of their actions.• When the CSE Delivery Plan is revised, agreed actions should be documented in detail in order to ensure that progress and outcomes are clear and understood to allow for accurate status reporting and monitoring.• The Council’s Corporate Management Team should monitor the effectiveness of the CSE Strategy and Delivery Plan.							

Audit Title:	IT Training						
Date of Report:	March 2017			Materiality/Impact:		High	
Number of 'High Priority' Recommendations:	4	Current Audit Opinion:	3	Previous Audit Opinion:	N/A	Overall Evaluation (Risk):	Of Concern
<u>Key Recommendations</u> The key recommendations made as a result of the review are: <ul style="list-style-type: none"> The review of the terms of reference for the Council's Information Governance Group should be completed and the Board re-established. It should meet at appropriate points in the year to ensure adequate arrangements for information governance are in place. This should include overseeing the implementation of recommendations made in this report and management of associated risks. A report should be created to enable monitoring of whether all staff have completed and passed the mandatory e-learning modules as and when required. This report should be sent to the relevant officers to enable monitoring of compliance rates to take place and for issues to be escalated as appropriate e.g. to Corporate Management Team or the Information Governance Group. Senior management and Heads of Service should review reports regularly to ensure compliance with mandatory training requirements. Failure to comply with the mandatory training requirements should ultimately result in the user being prevented from accessing the Council's network, confidential or sensitive information. Mandatory training requirements for temporary staff, consultants, agency staff and members should be agreed and communicated. Reports on completion of mandatory training requirements should be provided for all those with access to the Council's data e.g. consultants, temporary staff, agency staff etc. and provided to the relevant officers as required. Reports on all information security incidents should be compiled and reported to an appropriate forum (which includes the SIRO and the Monitoring Officer), who should provide oversight to ensure that an appropriate corporate response is taken to information risks identified. Reporting on data protection breaches should continue to be reported to the Data Protection Officer and then to an appropriate forum as mentioned above. 							

APPENDIX 1

Audit Title:	Debtors 2016/17						
Date of Report:	March 2017			Materiality/Impact:		High	
Number of 'High Priority' Recommendations:	0	Current Audit Opinion:	2	Previous Audit Opinion:	1	Overall Evaluation (Risk):	Moderate
<u>Key Recommendations</u> There are no key recommendations as a result of the review.							

Audit Title:	Investigations						
Date of Report:	February / March 2017			Materiality/Impact:		N/A	
Number of 'High Priority' Recommendations:	N/A	Current Audit Opinion:	N/A	Previous Audit Opinion:	N/A	Overall Evaluation (Risk):	N/A
<u>A number of investigations have also been completed:</u> <ul style="list-style-type: none"> • Inv. 16/17-11 • WB 16/17-3: general issues 							

The following audit reports are currently out in draft:

- IT Governance and Policies
- Street Works
- Forward Swindon
- Emergency Duty Service
- Main Accounting
- Fleet Management
- Oracle system control
- Compliance with Contract Standing Orders
- Children's Health
- Commercial Assets
- Housing Rents
- Registrars
- ID Badges

Key Audits Completed (Audits) - Draft - Total 27

	April	May	June	July	August	September	October	November	December	January	February	March
Key Audits Completed	Business Continuity		Consultation	Better Care Fund	Transformation Programme	Safeguarding - CSE	NNDR	Domestic Abuse Strategy	Forward Swindon	Main Accounting		
			Annual Governance Statement		LEP	Treasury Management	IT Governance & Policies			Debtors		
			ICT Asset Management			Council Tax	HB Overpayments					
							NFI submission					
Key audits Month Total	1	0	3	1	2	3	4	1	1	2	0	0
Key audits Cumulative Total	1	1	4	5	7	10	14	15	16	18	18	18
Key audits Target %	5	8	12	20	25	30	50	60	70	80	90	100
Key audits Achieved %	4%	4%	15%	19%	26%	37%	52%	56%	59%	67%	67%	67%

Total other Audits Completed - Draft

	April	May	June	July	August	September	October	November	December	January	February	March
Other Audits Issued	RIPA Compliance	Westrop - VAT	Youth Engagement benchmarking	CRC claim	SEQOL	Affordable housing	TUPE	PPS Dynamic Purchasing System	Stores and Equipment follow-up	Emergency Duty Service	Inv 16/17-8	
	DEFRA Flood resilience grant	Troubled Families Claim - May 2016	Inv 16/17-2	Housing capital programme	Purchasing Cards	NNDR 3 claim	Allocating resources: disabled children	LEP Assurance work to date	Spreadsheet payments	WB 16/17-3	Fleet management	
	Public Health Grant certification	Housing Voids: follow-up	IT Training	Adoption	Refunds	WB 16/17-2	Street Works	Residential Care Homes - Financial checklist	DWP - MoU	Inv 16/17-9(b)	NAVMAN	
	Corporate ICT issues: follow-up	WB 16/17-1	CCG invocing	Brindley Close f/up	Isambard Community School		Orchid Vale school	PPS Wroughton - Lessons Learned	Inv 16/17-9	Master supplier file	Oracle system control & integrity	
			Inv 16/17-1	Inv 16/17-6	Play Areas		PCI compliance	Red Oaks	Inv 16/17-4	Inv 16/17-5	troubled families Claim - Jan 2017	
			Garage Strategy (update)		Open Door				Troubled Families Claim - Nov 16	Housing capital programme: f/up	Registrars	
					Day Services Strategy				HB Bank reconciliation		Compliance with Standing orders	
											ID Badges F/up	
											Commercial Assets	
Other audits total for month	4	4	6	5	7	3	5	5	7	5	7	0
Cumulative other audits	4	8	14	19	26	29	34	39	46	51	58	58

	April	May	June	July	August	September	October	November	December	January	February	March
Overall Month Total Audits	5	4	9	6	9	6	9	6	8	7	7	0
Overall Total Audits	5	9	18	24	33	39	48	54	62	69	76	76
Target Completion of Plan %	4	12	20	28	35	43	52	60	67	74	82	90
Audit Plan Achievement %	5%	8%	16%	22%	30%	35%	44%	49%	56%	63%	69%	69%

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