

Swindon Borough Council

Audit Committee

Tuesday, 5 November 2013

Committee Room 6, Civic Offices

At 6.00 p.m.

Conservative Councillors

Roderick Bluh
Michael Bray
John Haines
Steve Weisinger
(Chair)

Labour Councillors

Des Moffatt
Steve Allsopp
Neil Heavens

Committee Officer: Steve Jones (01793 463602)

email: stevejones@swindon.gov.uk

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

PART 1 (PUBLIC ITEMS)

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 1 - 6)

To receive the minutes of the meeting held on 24th September 2013

5. Exempt Items - Exclusion of Press and Public

Certain items are expected to include the consideration of exempt information and the Cabinet is, therefore, recommended to resolve "That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the item listed below, on the grounds that it involves the likely disclosure of exempt information, as defined in the respective paragraph of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information".

<u>Item No.</u>	<u>Paragraph No.</u>
11	7

6. Internal Audit reports identifying 'significant' risk or 'of concern': One Swindon: Governance HIA (Pages 7 - 50)

7. Corporate Risk Management Update (Pages 51 - 58)

8. External Audit: Annual Audit Letter (Pages 59 - 74)

9. Forward Swindon Limited - Statement of Accounts HIA (Pages 75 - 102)

10. Head of Internal Audit Update HIA (Pages 103 - 114)

PART 2 (TO BE CONSIDERED WITHOUT THE PRESS AND PUBLIC PRESENT)

**11. Internal Audit reports identifying 'significant' risk or 'of concern': Museums: Storage (Follow-up) HIA
(Report to follow)**

Date of Despatch: 29 October 2013

Key:

Officers:

HIA - Head of Internal Audit

Public Question Time - Swindon Borough Council is committed to increasing its accountability to the public and to promoting active citizenship. Up to 15 minutes will be allowed at the start of all Council meetings for questions to the Chair from members of the public about the work of the Committee (except for confidential matters and specific planning applications). Questions must be relevant, clear and concise. Because of time constraints Public Question Time is not an opportunity to make speeches or statements. Prior notice of a question to the Director of Law and Democratic Services is desirable - particularly if detailed background information is needed.

The Audit Committee - Terms of Reference

(the complete terms of reference and programme of activity for the Audit Committee are set out in Minute 61 of the meeting of the Audit Sub-Committee held on 25

January 2006)

To provide independent assurance to the Council on the following responsibilities:

- (i) the effectiveness of the Council's risk management, internal control and its overall assurance framework;
- (ii) the effectiveness of the Council's financial and non-financial performance to the extent that it might impact upon (i) above;
- (iii) the performance of the Council's Internal Audit section;
- (iv) the receipt and review of External Audit reports and liaison with external auditors on significant matters identified, and
- (v) advise upon and/or review the effectiveness of any other matters referred to the Audit Committee by the Cabinet, the Overview and Scrutiny and Regulatory Committees.

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AUDIT COMMITTEE

TUESDAY, 24 SEPTEMBER 2013

PRESENT:- Councillors Steve Weisinger (Chair), Steve Allsopp, Michael Bray, Oliver Donachie, John Haines, Neil Heavens and Des Moffatt

An apology for absence was received from Councillor Roderick Bluh.

18. Declarations of Interest

The Chair reminded members of the need to declare any known interests in any matters to be considered at the meeting.

19. Public Question Time

No questions were asked under Standing Order 28.

20. Minutes

Resolved – (1) That the minutes of the meeting held on 25th June 2013 be confirmed and signed.

(2) That, further to Minute 6(2), the Chair raise with the Cabinet Member for Economy, Regeneration and Culture, members' request that they be given the opportunity to inspect the Final Accounts of Forward Swindon.

21. Exempt Items - Exclusion of Press and Public

That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the items listed below on the grounds that they involve the likely disclosure of exempt information as defined in the respective paragraphs of Part 1 of Schedule 12A of the Act.

<u>Item No.</u>	<u>Paragraph No.</u>	<u>Minute No.</u>
14	7	30

22. Consideration of Exempt Information

The Committee received a report of the Director of Law and Democratic Services on its existing administrative arrangements for the consideration of reports containing exempt information, as defined in Part 1 of Schedule 12A of the Local Government Act 1972. The report had been submitted in response to a claim made by a local media organisation that it had obtained a copy of a report submitted to the Audit Committee at its meeting on 25th June 2013 that had been categorised as containing "exempt information" and was "Not For Publication". Members were invited to determine whether alternative administrative arrangements should be introduced in relation to the Committee's consideration of confidential reports.

Resolved – That the Committee's current administrative arrangements for the consideration of "Not For Publication" reports, containing material categorised as

“exempt information”, be maintained, subject to the following additional requirements:

- Such private and confidential reports to be circulated to members with the agenda papers but under separate cover
- Such private and confidential reports to be returned to the Committee Officer, or such other appropriate officer, immediately following the meeting at which the report is considered to arrange for their confidential disposal
- copies of such private and confidential reports should not be held on the Council's password secured website until after the meeting of the Committee at which the material was to be considered.

23. Annual Governance Statement

The Head of Internal Audit submitted a report providing the Committee with details of the draft Annual Governance Statement, setting out the Council's governance arrangements.

Resolved – That the draft Annual Governance Statement, appended to the report, be approved to be signed off by the Leader of the Council and the Chief Executive.

24. Annual Statement of Accounts 2012/13 and External Audit: Audit Findings

Annual Statement of Accounts 2012/13

The Committee received a report introducing the Council's Annual Statement of Accounts for 2012/13, updated for audit changes as at Monday 16th September. The Board Director Resources, with the Finance Manager, Housing, Treasury and Growth, presented the report, highlighting the main areas of adjustment since the completion of the draft accounts within statutory timescales in June 2013, and responding to members' specific queries and observations regarding the content of the accounts (appended to the report).

Resolved – (1) That the report and the Annual Statement of Accounts 2012/13, including the updated information provided at the meeting, be noted.

(2) That, subject to the amendments highlighted in the officers' presentation of the report to the Committee, the Annual Statement of Accounts 2012/13 be approved.

(3) That Mr Darren Stevens, the Council's Finance Manager, Housing, Treasury and Growth, and his team, be thanked for their hard work and diligence in compiling the Annual Statement of Accounts.

External Audit: Audit Findings

The Committee received a report of the Council's External Auditors, Grant Thornton, highlighting the key matters arising from their audit of the Council's financial statements for the year ended 31 March 2013.

Liz Cave, Engagement Lead (Grant Thornton), and Peter Smith, Audit Manager (Grant Thornton), introduced the report, taking the Committee through the following

elements of the report in detail and responding to members questions on related issues:

- findings in respect of significant matters and risks identified at the audit planning stage and additional matters that arose during the course of their work
- findings in respect of other risks of material misstatement identified in the Audit Plan
- findings in relation to accounting policies and key estimates and judgements made and included with the Council's financial statements
- adjustments to the draft financial statements, identified during the audit process
- the assessment of internal controls relevant to the preparation of the financial statements
- other communication requirements
- the Value for Money (VFM) conclusions in relation to the Council's responsibilities to put in place proper arrangements to:
 - secure economy, efficiency and effectiveness in its use of resources
 - ensure proper stewardship and governance
 - review regularly the adequacy and effectiveness of such arrangements.

Resolved – That the report be noted and that the External Auditors' intention to give an unqualified VFM conclusion stating that, in all significant respects, the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, be welcomed.

25. External Audit: Review of the Council's Arrangements for Securing Financial Resilience

The Committee received a report of its External Auditors, Grant Thornton, regarding their review of the arrangements put in place by the Council to secure financial resilience, undertaken as part of the statutory external audit to support its Value For Money (VFM) conclusion. Liz Cave, Engagement Lead (Grant Thornton), introduced the report, placing the review in the context of the Government's on-going national financial austerity measures and the significant ensuing financial challenges faced by the Council as a result of reduced central government funding. Ms Cave explained that the process used by the External Auditors to consider the robustness of the Council's financial systems and processes had involved a detailed review of each of the following risk areas:

- the Council's key indicators of financial performance
- its approach to strategic financial planning
- its approach to financial governance
- its approach to financial control.

Ms Cave took the Committee through the report, expanding on the summary observations and risk assessment in respect of each of the risk areas and outlining the specific recommendations (key points for consideration) made to the Council for consideration in relation to each area of review.

Resolved – (1) That the report be noted.

(2) That the management response to the External Auditors' key points for consideration, arising from the review, be further considered at a future meeting of the Committee.

26. External Audit: Audit Committee Update for Swindon Borough Council

Mr Peter Smith (Grant Thornton) presented a report advising the Committee of the External Auditors' progress, as at 24 September 2013, in respect of the delivery of their audit responsibilities, including a summary of key emerging national issues and developments that might be of interest to the Committee.

Resolved – That the report be noted.

27. External Audit: Grant certification work plan for Swindon Borough Council

Mr Peter Smith (Grant Thornton) presented the Grant Certification Work Plan, outlining Grant Thornton's approach to the management of the certification process, and setting out the indicative scale fee for grant claim certification. The report also included a summary of expected claims and returns for the year ended 31 March 2013.

Resolved – That the report be noted.

28. Draft Internal Audit Charter

The Committee received a report of the Head of Internal Audit regarding the requirement for an updated Internal Audit Charter that meets the requirements of the Public Sector Internal Audit Standards. It was noted that the Audit Committee had a strategic role to ensure that the Council's assurance framework was operating effectively and that, to this end, it should seek assurance that key areas that contribute to this framework are operating properly.

Resolved – That the updated Internal Audit Charter, appended to the report, be approved.

29. 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 June 2013 and progress made against the Annual Internal Audit Plan. The Committee noted that the results of Internal Audit's customer feedback exercise indicated that 90% of customers rated the service as good or excellent.

Resolved – (1) That the report be noted.

(2) That the One Swindon Partnership Governance internal audit report, categorised as having a risk evaluation of "Of Concern", be submitted to the next meeting of the Committee for more detailed consideration.

30. Internal Audit reports identifying 'significant' risk or 'of concern': IT Back-up Arrangements

The Committee received a report on the latest position regarding the implementation of Internal Audit recommendations arising from the audit review of IT back-up and retention arrangements for servers located on the Civic Campus. It was noted that the overall risk assessment to the Council following the initial audit was considered "of concern". The Council's Head of ICT Strategy was in attendance to provide a current position statement in relation to the implementation of audit

recommendations and to respond to members' questions on issues raised regarding 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 recommendations, be noted.

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Internal Audit reports identifying 'significant' risk or 'of concern':

One Swindon: Governance

Audit Committee

Date: 5th November 2013

Author: Head of Internal Audit

Wards: None

Locality Affected: None

Parishes Affected: None

1. Purpose and Reasons

- 1.1 Members requested that at least one individual audit report be presented to each meeting of the Committee. Members of the Audit Committee requested that the internal audit report on *One Swindon: Governance* is included on the agenda for the November meeting of the 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 effectively.

2. Recommendations

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

3. Detail

Background

- 3.1 The One Swindon Partnership is a non-statutory, strategic partnership between the public, voluntary and business sectors, to deliver innovative, jointly developed solutions for the residents of Swindon. The partnership builds on the work already undertaken through the Swindon Strategic Partnership and the Local Area Agreement.
- 3.2 A number of Members, Partners and Council officers involved in One Swindon were interviewed to gain their understanding of, and observations on, the Partnership. This was supported by a review of the terms of reference and minutes/documentation from the Leadership Board, Delivery Board, the Overview and Monitoring Group and the Swindon Conference to ascertain their roles and responsibilities and confirm that they were delivering against these. The auditors also attended One Swindon Leadership Board meeting.

Key Findings

- 3.3 The key messages from the review are:
- All those interviewed were enthusiastic about the concept of One Swindon and the benefits it could achieve, as organisations involved in the partnership face similar

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 reports identifying ‘significant’ risk or ‘of concern’:

One Swindon: Governance

Audit Committee

Date: 5th November 2013

pressures to that of the Council with regards to increasing demand and reducing resources.

- The principles of One Swindon was understood and supported by everyone interviewed during the course of the audit.
- The current governance structure, except for the role of the Overview and Management Group, is considered fit for purpose.
- Members of the Leadership and Delivery Boards all gave examples of where the networking opportunities at Board meetings have allowed them to resolve issues being experienced within their own organisations and saw this as a real benefit.
- However, the track record over the last few years has not yet fully realised the potential in terms of One Swindon intent, nor been in keeping with the benefits previously delivered through the Local Area Agreement. This view was shared by all those interviewed during the audit.
- There is currently no Delivery Plan in place for year two and beyond. This has been identified by the Leadership Board and was very evident from the discussions at the Leadership Board attended and previous minutes/documentation reviewed. All Partners have acknowledged that the need for the Partnership to move on and deliver has become critical if it is to maintain momentum and deliver projects that bring both benefits to the organisations involved and deliver the outcomes needed for residents. Everyone attending the Leadership Board was of the same view and supported the need to be delivery focussed.
- It is nationally recognised that Community Budgets are a way forward for local authorities and partners across the public sector. Partnership working and place shaping will be important for local authorities going forward, especially working with partners across public, private and the voluntary/third sector. The One Swindon Partnership already embodies these ideas and has the potential to make a big, positive contribution towards all Partner organisations and residents through Community Budgets.
- The Council’s Chief Executive has proposed that the Community Budget approach would be an ideal opportunity to allow the Partnership to be focussed on specific outcomes. This has been agreed by the Board and the Council’s Head of Strategy and Research has been commissioned to lead and manage the development and implementation of a One Swindon Community Budget as a Programme. He reported back to the Board as part of their away day in June 2013. This away day was dedicated to discussions on the Community Budget Programme and what it could/would look like for Swindon.
- Swindon has since been selected by the Government as one of only nine local authorities to be included in the next wave of Community Budgets. It was reported

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 reports identifying ‘significant’ risk or ‘of concern’:

One Swindon: Governance

Audit Committee

Date: 5th November 2013

that Swindon was selected because of the strength of our partnership working and track record of innovation.

- To respond to this approach effectively, it will be necessary for the Leadership Board to now take on the role of a commissioning body, approving projects within the strategic framework they have set, with the Delivery Board taking on the role of a robust performance management function to monitor and ensure projects are delivered.

3.4 The internal audit report is attached as Appendix 1 to this report.

3.5 The Head of Strategy and Research has provided a management update setting out progress made since the audit report was issued (see Appendix 2). He will also be attending Audit Committee to answer any questions that Members may have.

3.6 The Head of Strategy and Research has also reported to October's Cabinet on One Swindon: public service transformation through partnership – joint statement of intent, this has been reproduced as Appendix 3.

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 2011. 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.

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 reports identifying 'significant' risk or 'of concern':

One Swindon: Governance

Audit Committee

Date: 5th November 2013

Diversity Impact Assessment

5.5 Not Applicable

Risk Management

5.6 Not applicable

6. Consultees

6.1 The Board Director: Resources (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: *One Swindon: Governance*

8.2 Appendix 2 – Management update

8.3 Appendix 3 – Cabinet report: One Swindon: Public service transformation through partnership: joint statement of intent

A hand is shown holding a green, torn-edge paper shape. The paper has the title 'One Swindon: Governance' in large white letters, followed by 'August 2013' and '(Final Report)' in smaller white letters.

One Swindon: Governance

August 2013
(Final Report)

Contents and Distribution

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Appendices:

- A – Standard Audit Opinion
- B – Acknowledgements
- C – Extract from Staffordshire Strategic Partnership Plan

Report Distribution – Final Report issued on 30th August 2013

Gavin Jones	Chief Executive
James Griffin	Head of Strategy and Research
Alison Chamberlain	Partnership Development Officer

Executive Summary

Background

This review has been carried out as part of the agreed Internal Audit Plan in order to provide assurance to the Chief Executive of Swindon Borough Council that the governance structure in place for the One Swindon Partnership is fit for purpose and operating effectively.

The One Swindon Partnership is a non-statutory, strategic partnership between the public, voluntary and business sectors, to deliver innovative, jointly developed solutions to improve the outcomes for the residents of Swindon. The partnership builds on the work already undertaken through the Swindon Strategic Partnership and the Local Area Agreement.

A number of Members, Partners and SBC officers involved in One Swindon were interviewed to gain their understanding of, and observations on, the Partnership. This was supported by a review of the terms of references and minutes/documentation from the Leadership Board, Delivery Board, the Overview and Monitoring Group and the Swindon Conference to ascertain their roles and responsibilities and confirm that they were delivering against these. The Auditors also attended the One Swindon Leadership Board on the 19th March 2013 as observers.

Audit Opinion

The impact and materiality of One Swindon is considered to be **high** and combined with the auditor's opinion that **significant improvements are required** to system controls, gives an overall risk assessment to the Council of '**Of Concern**'.

Key Messages

All those interviewed were enthusiastic about the concept of One Swindon and the benefits it could achieve, as organisations involved in the partnership face similar pressures to that of the Council with regards to increasing demand and reducing resources. The principles of One Swindon was understood and supported by everyone interviewed during the course of the audit. The current governance structure, except for the role of the Overview and Management Group, is considered fit for purpose.

Members of the Leadership and Delivery Boards all gave examples of where the networking opportunities at Board meetings have allowed them to resolve issues being experienced within their own organisations and saw this as a real benefit.

However, the track record over the last few years has not yet fully realised the potential in terms of One Swindon intent, nor been in keeping with the benefits previously delivered through the Local Area Agreement. This view was shared by all those interviewed during the audit.

There is currently no Delivery Plan in place for year two and beyond. This has been identified by the Leadership Board and was very evident from the discussions at the Leadership Board attended and previous minutes/documentation reviewed. All Partners

have acknowledged that the need for the Partnership to move on and deliver has become critical if it is to maintain momentum and deliver projects that bring both benefits to the organisations involved and deliver the outcomes needed for residents. Everyone attending the Leadership Board on the 19th March 2013 was of the same view and supported the need to be delivery focussed.

It is nationally recognised that Community Budgets are a way forward for local authorities and partners across the public sector. Partnership working and place shaping will be important for local authorities going forward, especially working with partners across public, private and the voluntary/third sector. The One Swindon Partnership already embodies these ideas and has the potential to make a big, positive contribution towards all Partner organisations and residents through Community Budgets.

The Council's Chief Executive has proposed that the Community Budget approach would be an ideal opportunity to allow the Partnership to be focussed on specific outcomes. This has been agreed by the Board and the Council's Head of Strategy and Research has been commissioned to lead and manage the development and implementation of a One Swindon Community Budget as a Programme. He reported back to the Board as part of their away day in June 2013. This away day was dedicated to discussions on the Community Budget Programme and what it could/would look like for Swindon.

Swindon has since been selected by the Government as one of only nine local authorities to be included in the next wave of Community Budgets. It was reported that Swindon was selected because of the strength of our partnership working and track record of innovation.

To respond to this approach effectively, it will be necessary for the Leadership Board to now take on the role of a commissioning body, approving projects within the strategic framework they have set, with the Delivery Board taking on the role of a robust performance management function to monitor and ensure projects are delivered.

Context

Originally, in response to government legislation, the Swindon Strategic Partnership was set up in 2003. The Partnership produced a Vision for Swindon 2008-2030. This is the baseline document against which strategies and policies should be designed to deliver the vision.

In 2011 the One Swindon Partnership was created and effectively took over from the Strategic Partnership. The One Swindon Partnership exists to:

- Hold the strategic vision for Swindon
- Deliver the One Swindon outcomes
- Promote effective multi-agency working across Swindon¹

Initially, One Swindon developed four priorities which link through to the overall Vision for the Swindon 2008-30 document:

- We can all benefit from a growing economy and a better town centre
- I like where I live
- Everyone is enjoying sport, leisure and cultural opportunities
- Living independently, protected from harm, leading healthy lives and making a positive contribution

One Swindon Partners include:

- | | | |
|--------------------------------|--------------------------------|-------------------------------------|
| • Swindon Borough Council | • Wiltshire Fire and Rescue | • Wiltshire Probation Trust |
| • Job Centre Plus | • Wiltshire and Swindon Police | • Voluntary Action Swindon |
| • NHS Swindon | • SEQOL | • Influence (representing business) |
| • Clinical Commissioning Group | | |

¹ Source – One Swindon Website

The governance structure for One Swindon comprises three pillars:

- ✓ *Leadership* (quarterly Partnership Board meetings)
- ✓ *Delivery* (monthly Delivery Board meetings) and
- ✓ *People and Places* (bi-annual Conferences, emerging locality partnerships and networks). Among the responsibilities attributed to People and Places is to drive the agenda and hold the Partnership to account. The three pillars have differing relationships with each other.

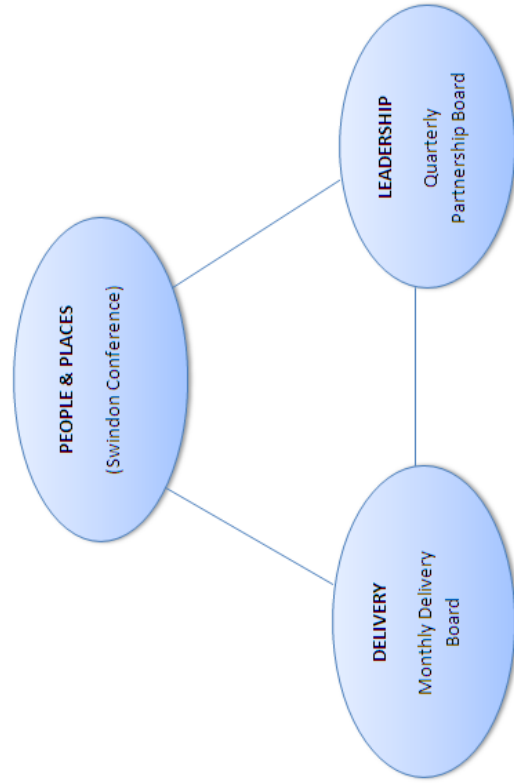


Figure 1: One Swindon Governance Structure (August 2011)

The relationships between the pillars are:

- Leadership and Delivery Board – translation of strategy into delivery,
- People and Places with the Leadership Board – shaping and grounding strategic direction and inspiring and removing barriers to community contribution.
- Delivery Board and People and Places – the understanding of local priorities and capabilities and connecting community capacity to deliver

The role of the One Swindon Partnership is becoming increasingly more important in the current financial and economic climate. It is impossible for one organisation to deliver all that is required of it, or wishes to deliver, without working in partnership with other organisations, including the business community.

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 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:

<i>Risk Area Examined and Findings</i>	<i>Audit Conclusion</i>
<p>Risk: Corporate governance Fit for purpose</p> <ul style="list-style-type: none"> • The Leadership Board and Delivery Board linkage was understood by all those interviewed and are considered appropriate. • Through the Local Area Agreement, the Partnership has demonstrated that it is able to deliver benefits for all organisations involved and residents. • The role of the Swindon Conference within the One Swindon governance structure is not fully understood and no terms of reference exist for it. (AP 1.7) • There was no, or very limited, understanding of the role and contribution of the Overview and Management Group (OMG). (AP 1.8) • The relationship between the One Swindon Partnership Board and the Health and Wellbeing Board should be considered and agreed, as there is potential for significant overlap between these two Boards. (AP 1.2) • There is an absence of performance management over delivery within the One Swindon Partnership. For example, the Leadership Board's terms of reference are not regularly reviewed and do not include any requirement for performance reporting or monitoring of the Delivery Board (AP 1.5) 	<p>Satisfactory</p>

Risk Area Examined and Findings	Audit Conclusion
<p>Risk: Corporate governance Operating effectively</p> <ul style="list-style-type: none"> Swindon and Wiltshire, via a bid put together by the Swindon and Wiltshire Local Enterprise Partnership, were recently awarded a City Deal package by the Government. These deals are to aid in the economic re-generation of the local economy. The existence of the One Swindon Partnership is believed to have contributed to this award as it demonstrates strong partnership and political will to work together. Including Swindon in the second wave of Community Budget pilots was also on the basis of the strength of our partnership working and track record of innovation. One of the common benefits of One Swindon, quoted by those interviewed, is the networking opportunities it offers, giving Partners other points of contact when developing projects or re-modelling services. One Swindon is not delivering effectively at present. However, this has been recognised by all partners and they are engaged in addressing this and ensuring that going forward, the Partnership delivers to its own high expectations and intentions. The SBC Chief Executive has identified Community Budgets as the mechanism that will make One Swindon deliver more and meet its priorities. To assist with this, some basic enablers need to be put in place. These were outlined in the paper, "One Swindon: One Vision – Translating Vision to Action", presented to the Leadership Board by the Chief Officer of the Clinical Commissioning Group. The Board agreed that these enablers should be put in place. (AP 1.1) A detailed delivery plan, linked to the One Swindon priorities and outcomes, is not in place for 2013/14 and beyond. (AP 1.4). Although it is not formally documented, it is understood that 2013/14 is being used to prepare for a new approach utilising the Community Budget concept. The Delivery Board is expected to meet monthly but prior to the February 2013 meeting, it had not met since May 2012. There was a feeling of disconnection between the concept of One Swindon and what it meant to officers delivering on the ground. Many interviewed felt that what they were undertaking would happen even if One Swindon was not in place. Currently there are no criteria to demonstrate whether One Swindon is successful and delivering against its stated outcomes and priorities and how successful delivery of projects has changed the organisations concerned and improved the outcomes for residents. (AP 1.3) There is no current, up to date risk register for One Swindon to manage the risks facing the Partnership. With the introduction of Community Budgets and the increased focus on delivering, effective risk management will be vital. (AP 1.6) The minutes of the Leadership Board did not indicate that any previously agreed actions were reviewed to ensure appropriate progress had been made in line with any timescales agreed. However, it is understood that brief notes and action points are prepared by the Partnership Development Officer and are sent to Board members within 2 days of the meeting with formal minutes produced subsequently. 	<p>Significant improvements required</p>

Overall Opinion

Materiality and impact: High. To date the materiality of One Swindon has been limited, but going forward it could be significant. With joint partnership working through such things as community budgets, there is the potential to make significant savings and re-invest this back into front line services to benefit partners and residents, not just the Council. On this basis materiality is therefore considered as high. In the current economic situation, which has led to significant reductions in funding to the public sector, partnership working is essential. Without partnership working, including that with the private and voluntary sector, the public sector will not be able to deliver outcomes needed for their residents, One Swindon's impact is therefore 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 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

Action Plan

The purpose of this action plan is to provide a summary of the matters arising during the audit of the governance arrangements for the One Swindon Partnership, 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	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	<i>Risk: Corporate Governance</i>			
1.1	<p>The future of One Swindon</p> <p>At the Leadership Board in March 2013, the Chief Executive (SBC) described the partnership as being at a tipping point. Explaining that if change is not embraced and evidence of partnership working brought to the fore, the future of the partnership had to be in some doubt. He saw the vehicle for change as utilising the concept of community budgets.</p> <p>This was echoed in interviews held with Senior Officers and Partners, held prior to the Board meeting, where a common concern was that the Partnership was too aspirational which had led to little being actually delivered. Those interviewed felt that it was now necessary for the Partnership to focus on one or two specific smaller projects in order to demonstrate that outcomes can be achieved and additional benefits can result through working in Partnership.</p> <p>At the same meeting a paper entitled "One Swindon: One Vision – Translating Vision to Action" was presented by the Chief Officer, Clinical Commissioning Group. This highlighted some of the enablers currently missing that would make One Swindon more effective e.g. shared approaches to intelligence and analysis, change management, project management and service re-design and a commitment to integration and governance. The paper recognised the need for the Leadership Board to be more proactive and set out some of the future challenges for One Swindon, especially the need to commit to joint partnership working and for partners to come forward with business cases for review, challenge and implementation. Attendees at the meeting supported this approach and the need for the basic enablers to be put in place.</p>	<p>The enablers outlined in the paper "One Swindon: One Vision – Translating Vision to Action" should be introduced.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>March 2014</p>	<p>Agreed.</p> <p>Work has already started on enabling work with GWH.</p>

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	<i>Risk: Corporate Governance</i>			
1.2	<p>Relationship with the Health and Wellbeing Board</p> <p>With the responsibility for public health returning to local authorities under the Government's NHS reforms, a Health and Wellbeing Board was set up as a committee of the Council. This Board remit is the wellbeing of residents and reducing health inequalities to improve outcomes for residents.</p> <p>There is potential for significant overlap between this Board and the One Swindon Board, as the wellbeing of residents is the key focus for both.</p> <p>Nationally there are varied solutions to this, with some Authorities choosing to merge the two bodies as they see it as a way of broadening the agenda of the Health and Wellbeing Board to include more social determinants of health.</p>	<p>The relationship between the One Swindon Partnership and the Health and Wellbeing Board should be defined.</p> <p>Consideration should be given as to whether it would be more effective to combine both Boards to ensure common goals are achieved effectively and to minimize duplication.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>October 2013</p>	<p>Agreed.</p> <p>We are in the process of defining what this could look like moving forward</p>

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	Risk: Corporate Governance			
1.3	<p>What does success look like</p> <p>The One Swindon priorities, outcomes and areas of focus detailed in the draft delivery plan give an indication of the areas expected to improve. However, this is not quantified with any specific measurable targets. Consequently, there are currently no set targets which will indicate progress/success of One Swindon.</p> <p>The 2012 Residents Survey should establish a base line in residents' views and could be used to measure the success of the One Swindon Partnership provided the questions in the survey can be clearly linked to the One Swindon Priorities.</p> <p>An extract from the Staffordshire Strategic Partnership's December 2012 progress report can be found at Appendix C. This clearly sets out what the Partnership is trying to achieve, actions they are taking, the Partners involved, challenges to success, the difference it is expecting to make now and in future and the next steps.</p>	<p>The 2012 Residents Survey should be considered as a baseline for measuring the progress of the One Swindon Partnership, along with any other relevant data available.</p> <p>Once baselines have been identified, targets should be set outlining the improvements expected through the One Swindon Partnership and the timescales.</p> <p>This will allow the Council to demonstrate that the One Swindon Partnership is moving in the right direction and making the difference expected.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>July 2013</p>	<p>Completed.</p> <p>The One Swindon annual report will do what the Staffs SSP progress report does.</p> <p>This report went to the One Swindon Board in June 2013 and full Council and partner boards in July 2013.</p> <p>There was also a session with Corporate Board, 8th July 2013, to ensure that One Swindon is fulfilling its potential.</p>

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	Risk: Corporate Governance			
1.4	<p>Delivery Plans</p> <p>There is a draft high level plan on the One Swindon website but it does not include specific projects to show how the plan will be achieved and the expected timescales. The current version on the website states that it is still in draft.</p> <p>No detailed year one plan was provided during the audit, although there was an annual report on delivery produced in July 2012. It has not been possible to confirm that the outcomes detailed in the annual report were as intended, due to the absence of a detailed delivery plan and lack of performance reporting. Consequently, it has not been possible to determine how successful the Partnership was in year one.</p> <p>In April 2012, discussions took place at Delivery Board on preparing a two year (and beyond) delivery plan. In July 2012, Cabinet authorised the development of objectives for a year two plan. However, this has not been produced and there is currently nothing in place to guide the Delivery Board.</p> <p>It is clear that all Partners are in agreement that Community Budgets will provide a clear focus. However at the Leadership Board meeting, the Head of Strategy and Research was asked to research the impact on the Partners of the introduction of community budgets and report back at the next meeting in June 2013. Given these timescales and lack of any concrete plan for the introduction of Community Budgets, it is unlikely that anything specific will be delivered in 2013/14.</p> <p>A contributory factor towards the lack of emphasis on delivery could be due to the Delivery Board not meeting regularly. It was expected to meet monthly, but did not meet between August 2012 and February 2013.</p>	<p>A 2013/14 delivery plan should be prepared by the Leadership Board in conjunction with the Delivery Board. This should include:</p> <ul style="list-style-type: none"> • realistic and, identifiable projects • expected benefits • clear linkage to the One Swindon priorities and outcomes • timescales <p>New agreed business cases should be added as they are approved by the Leadership Board.</p> <p>The Delivery Board should meet monthly, as defined in its terms of reference.</p> <p>The reasons for the lack of meeting in 2012/13 should be identified and addressed to ensure future meetings are not cancelled.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>October/ November 2013</p>	<p>Agreed</p> <p>A One Swindon Delivery Plan will not be completed. However, there will be a plan with measures and milestones in place so that we can measure the impact of community budgets on One Swindon outcomes.</p>

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	Risk: Corporate Governance			
1.5	<p>Performance management</p> <p>There is an absence of performance management over delivery within the One Swindon Partnership. The Partnership needs to improve its planning, measuring and overall approach to performance management.</p> <p>The Leadership Board terms of reference do not require the Delivery Board to formally report on performance against the delivery plan/initiatives. The terms of references state that the Leadership Board “<i>maintains and develops relationships with the Delivery Board</i>”. This does not reflect a hierarchical governance relationship.</p> <p>The Delivery Board terms of reference requires them to report by exception, although there is no definition of exception. From a review of minutes there was no evidence of performance reporting as a standard agenda item on the Leadership Board or Delivery Board agenda.</p> <p>As stated in AP 1.1 above, the One Swindon Partnership lacks a standard, agreed approach to Project Management which is necessary to support delivery of the One Swindon projects.</p>	<p>A consistent performance management process, including integrated project management reporting should be established.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>December 2013</p>	<p>Agreed</p> <p>There will be a performance framework linked to the community budget projects which will be agreed by the Board at the end of 2013</p>

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	Risk: Corporate Governance			
1.6	<p>One Swindon Risk Management</p> <p>There is no up to date risk register in place for the One Swindon Partnership. Also, from the review of the minutes of both the Leadership and Delivery Boards there was no evidence of conversations on the management of One Swindon risks.</p> <p>Risk management is not included in the terms of reference for both Boards.</p>	<p>A risk register for the One Swindon Partnership should be developed, including mitigating actions for all risks identified. This register should be reviewed at least quarterly by the Leadership Board to ensure the Partnership risks are managed or action taken promptly if needed to address any risk causing concern. The Boards' terms of reference should be updated to include risk management responsibilities.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>October – November 2013</p>	<p>Agreed</p> <p>There will be an updated risk register in place for the community budget projects which will also cover the One Swindon outcomes.</p>

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	Risk: Corporate Governance			
1.7	<p>One Swindon Conference</p> <p>The role of the Swindon Conference within the One Swindon governance structure is not fully understood. Those interviewed stated that it was very valuable forum but did not see it as part of the governance structure, rather as an information sharing opportunity.</p> <p>The governance structure for One Swindon shows the Conference as part of the third pillar, under People and Places. The People and Places role includes:</p> <ul style="list-style-type: none"> • holding the Partnership to account • helping drive the agenda • reach and galvanise community resource • conversations to highlight new ways of working <p>There is no evidence available to demonstrate that these actions are occurring. Concerns were raised during the audit over One Swindon's lack of engagement with the Voluntary and Third Sector and this disconnect in the governance arrangements could be a reason why this relationship is not developing as anticipated.</p>	<p>The role of the People and Places pillar in the One Swindon Governance structure should be reviewed and clarified.</p> <p>This should include defining the role of the bi-annual One Swindon Conference.</p> <p>Priority: Medium</p>	<p>Head of Strategy and Research</p> <p>December 2013</p>	<p>Agreed</p> <p>The next conference will be in February 2014 and we will, before then, attempt to clarify the governance structure</p>
1.8	<p>Overview and Monitoring Group</p> <p>The current One Swindon governance arrangements include an Overview and Monitoring Group. This Group had played a role under the previous Swindon Strategic Partnership and Local Area Agreement arrangements. It has limited relevance to the current governance arrangements. Indeed, almost everyone interviewed during the audit had no, or little, awareness of the group and of what is role is.</p>	<p>The continued involvement of the Overview and Monitoring Group in the One Swindon Partnership should be re-evaluated to decide if it still has a part to play in the future governance arrangements of One Swindon.</p> <p>Priority: Medium</p>	<p>Head of Strategy and Research</p> <p>October 2013</p>	<p>Agreed</p> <p>We are undertaking a review of this group in light of the Chair's resignation and the fact that Board members find it low impact – high resource at the moment. A report will go to the Board meeting in October 2013</p>

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	Risk: Corporate Governance			
1.9	Performance of Boards The Leadership and Delivery Boards of One Swindon do not regularly review their performance against their terms of reference. Such reviews will ensure the governance structure remains fit for purpose.	At least annually, the Leadership and Delivery Boards of One Swindon should review their performance against their terms of reference. Following such a review any necessary changes should be made to the terms of reference to reflect the operation of the Board concerned. Priority: Medium	Head of Strategy and Research Annually	Agreed We are currently working on joint working agreements with partners in light of community budgets – this will form part of our new terms of reference
1.10	Membership of the Leadership Board The current membership of the Board is large; potentially twenty five or more people could attend a meeting with two or more people representing many organisations. Similar Boards reviewed as part of the audit had fewer people on them. This may make idea generation and acceptance of new ideas difficult as members from different organisations may not be sure who has the remit to speak/accept and take forward new ideas and options. Some current attendees are not included on the list of members recorded in the terms of reference.	The number of people entitled to sit on the One Swindon Leadership Board should be reviewed to establish whether the number is appropriate and workable. Priority: Medium	Head of Strategy and Research Annually (April 2014)	Agreed The membership of the Board at the moment covers all of the main public sector agencies as well as elected members and a representative for the Voluntary and Community Sector. When we review governance in April, we will review the membership

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	Risk: Corporate Governance			
1.11	<p>Board Meetings</p> <p>The following points were noted from reviewing the minutes of the Delivery/Leadership meetings and through observation of the Leadership Board meeting of the 19th March 2013:</p> <ul style="list-style-type: none"> No obvious follow up of actions from previous meetings. Minutes reflected lots of discussion but few actions. At the meeting of the 19th March it was not obvious what decisions had been reached regarding the business cases, nor what timescales were involved. The Leadership Board was unsure how to progress requests for funding to help get its business case prepared. A funding request was eventually resolved by suggesting unused Performance Reward Grant monies could be used, although no-one knew how much was available or whether this would cover the request. No minutes for the Leadership Board meeting had been produced some four weeks later. The Chief Officer, Clinical Commissioning Group, put forward the proposal that he gets an independent peer review on his business case. He is contacting UWE to get help. Also, it was noted that the proposal put forward by the Probation Service might have possible linkage and synergies with the Council's Strengthening Families programme, this was not commented on. The Police said they operated a similar scheme for persistent re-offenders, there did not appear to be an attempt to see if any linkage could be made or best practiced shared. 	<p>Leadership and Delivery Board minutes should be produced promptly.</p> <p>Meetings should formally review previous minutes and action points to ensure they have been implemented.</p> <p>It should be obvious at the meeting concerning what decisions and actions have been agreed, along with associated timescales and people responsible.</p> <p>A reconciliation of the remaining Performance Reward Grant monies should be undertaken and the available figure be available for future Leadership Boards to enable decisions to be made with the knowledge of how much is available and how much would be left.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>June 2013</p>	<p>Agreed</p> <p>The minutes of the Board take more than a month to be completed by the committee section – however, there are always, within three days, a set of notes and actions which are prepared by the partnership team and go to all Board members.</p> <p>There is only £900 left and there will be an update on the projects which have been supported and how much is left.</p> <p>(July 2013 completed – minutes and actions are now reviewed at each meeting going forward, PRG report has been to the Board. Since the meeting took place the Wiltshire Probation Trust have had several conversations with Rob Pollock from the Treasury and are meeting with colleagues from Tri-Boroughs to look at synergies as well as connecting with the strengthening families team around offenders and their families).</p>

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	Risk: Corporate Governance			
1.12	<p>Awareness</p> <p>Officers interviewed felt there was a disconnect between One Swindon and their day to day work.</p> <p>During the course of the audit, senior officers interviewed accepted that it was unlikely that staff would have much understanding of the One Swindon Partnership and its priorities. Many felt that it was not necessary for staff to have that understanding of One Swindon as much of its focus is at a strategic level.</p> <p>There is a risk that if staff do not see how the One Swindon principles could affect their approach to delivering their daily tasks then opportunities could be lost to generate improved outcomes through partnership working.</p> <p>A good example of establishing a linkage was seen in a recent internal audit covering the delivery of transport projects. All schemes had to have a business case for review and challenge and this included reference to various strategies and priorities, including One Swindon.</p>	<p>The purpose and progress of the One Swindon Partnership should be communicated to all staff, with managers being encouraged to explain how their departmental business plan links up through to the One Swindon priorities and outcomes.</p> <p>Priority: Medium</p>	<p>Head of Strategy and Research completed in June 2013</p>	<p>Completed</p> <p>A front-line multi agency event was held in Sept 12 for staff across the partnership to look at how OS links to their everyday work.</p> <p>Departmental business plans should all link to the corporate priorities which in turn link to One Swindon</p> <p>We also held a series of staff lunch & learn sessions last year around One Swindon.</p> <p>We have a One Swindon newsletter which goes monthly to around 1100 people which includes staff, residents, community groups, partners etc.</p>

Ref.	Finding	Recommendations Priority (High/Medium/Low)	Responsible Officer and Timescale	Management Response
1	Risk: Corporate Governance			
1.13	<p>Profile of the One Swindon Partnership</p> <p>None of the partners websites visited had reference or links to the One Swindon website. This could suggest to a resident that One Swindon is not a priority</p> <p>The One Swindon website looks tired and is not a vibrant site for people looking for information on One Swindon and its effectiveness. Some information has not been updated e.g. meeting minutes. The website gives the impression little has happened or is happening with the Partnership.</p>	<p>All partners should have links from their websites to the One Swindon website.</p> <p>The One Swindon website should be refreshed to provide all agendas and minutes of the Leadership and Delivery Board meetings including adding appropriate papers submitted to those meetings. Separate tabs could be set up for each Board and the Swindon Conference to improve navigation around the site.</p> <p>Priority: Low</p>	<p>Head of Strategy and Research</p> <p>Oct 2013</p>	<p>Agreed</p> <p>The website will be moved onto SharePoint later this year and refreshed</p> <p>The Leadership and Delivery Board meetings are not public so we précis the Leadership Board notes and put them on the site.</p>

Standard Audit Opinions on System Control	
<p>Audit Opinion 1. <i>High standard</i></p> <p>The auditor completing the review concluded the significant system 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>	

Standard Audit Opinions

The audit opinion is based on two different criteria the first is the materiality of the system and its impact on the Council if there was a system failure. This has been spilt 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 weakness. 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).

Acknowledgements

Internal Audit would like to acknowledge and thank the following **Members, Partners and Council Officers** for their contribution to this review

Name	Title/Organisation
Councillor Roderick Bluh	Former Leader of the Council (SBC)
Councillor Jim Grant	Leader of the Labour Group
Gavin Jones	SBC Chief Executive
John Gilbert	SBC Board Director Commissioning
Tony Ranzetta	Clinical Commissioning Group Chief Officer
John Popowicz	Head of Community Safety and Partnerships Wiltshire Fire and Rescue
Keith Ewart	Chief Inspector Wiltshire Police
Cherry Jones	Deputy Director of Public Health Primary Care Trust (now SBC)
Sue Wald	SBC Head of Commissioning – Children and Adults
Paddy Bradley	SBC Head of Commissioning – Economy and Attainment
Gwillam Lloyd	SBC Head of Highways and Transport
Ian Bickerton	SBC Service Delivery Head of Leisure, Libraries, Culture and Traded Services
James Griffin	SBC Head of Strategy and Research
Alison Chamberlain	Partnership Development Officer

An Extract from a Strategic Partnership Delivery Plan and Update

December 2012

STAFFORDSHIRE STRATEGIC PARTNERSHIP**Outcome 1: Staffordshire will have a thriving economy****Outcome lead – Ron Dougan, Chair, Stoke-on-Trent and Staffordshire Local Enterprise Partnership****Headline Points****Developing a more business-friendly environment**

- We have been selected to submit an Expression of Interest for a Wave Two City Deal which will accelerate growth in the local economy. This includes work on sites, connectivity, energy, skills, and research and development.
- Following the success of the pilot, the business support helpline has been tendered and a provider secured for the next two years. This will continue to provide a single point of contact for support and advice.
- Six projects identified for Growing Places Fund support that will deliver between 3,900 and 7,200 jobs with further submissions being reviewed.
- A further four bids were successful in the third round of Regional Growth Fund.
- Work is on site at i54 site, and remaining plots are being marketed. Construction has commenced on the JLR plant.

Branding and marketing Staffordshire as an aspirational place to live, work, visit and invest regionally, nationally and internationally

- Through the DMP, delivering a marketing strategy to influence key audiences to achieve the above objective, develop the sector's performance and product offer, and encourage repeat visits and boost spend.
- The aligned inward investment service is now in place.
- Funding has been earmarked to support a range of targeted promotional initiatives

Raising aspirations and improve the attainment of skills linked to employment opportunities

- Continue to work with the LEP, the recently established Education Trust and with training providers to provide a full range of diverse learning programmes to meet demand including Apprenticeship growth.
- Stimulate demand for new Apprenticeship opportunities by working with partners and providers to encourage the use of Apprenticeships for quality workforce development and recruitment.
- Establish effective mechanisms to track young people currently not in education, employment or training (NEET), or not known, or in danger of dropping out of learning. Have data sharing protocols in place with all providers to enable effective and timely intervention to get young people back into learning or employment.

An Example of a Strategic Partnership Delivery Plan and Update

STAFFORDSHIRE STRATEGIC PARTNERSHIP

Delivering our Higher Level Outcomes and Priorities

Higher Level Outcome:	Outcome 1: Staffordshire will have a thriving economy
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Priority:	Develop a more business-friendly environment
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What are we setting out to do (what will success look like)?

- Create 50,000 new jobs and a 50% increase in the size of the economy over ten years by
 - Supporting Existing Businesses to Grow
 - Increasing Inward Investment
 - Successfully Marketing Stoke-on-Trent and Staffordshire as a place to do business
 - Improving Access to Finance and Funding
 - Providing the Right Sites & Infrastructure
 - Ensuring the Skills & Training of our Workforce Meet Business Needs

What are the key actions we are taking to deliver this priority?

- Working with partners to develop a strong submission for a wave two city deal that will accelerate local economic growth. This includes work on sites, connectivity, energy, skills, and research and development.
- Delivering the LEP's Strategic Business Plan including;
 - Championing and promoting a "Red Carpet" for business development and inward investment
 - Following the success of the pilot the business support helpline has been tendered and a provider secured for the next two years. This will continue to provide a single point of contact for support and advice.
 - Working with planning authorities to develop approaches that respond efficiently to economic proposals
 - The joint Inward Investment team is now promoting our area and targeting potential investors through a range of activities. The success of these are regularly monitored.
 - Developing a new equity fund with Central England Business Angels and signposting other resources.
 - Supporting 10 successful RGF bids in rounds 1,2, and 3. Four successful in round three.
 - Supporting six projects with Growing Places Fund and reviewing a second round of submissions.
- Delivering the extended Staffordshire Business Support Fund to provide a further £2m of loans to existing SMEs and start-ups including a contribution to cover Stoke on Trent.
- Following the receipt of outline planning permission we are continuing to progress the development of Redhill Employment Park.
- Delivering the infrastructure at the i54 site, and marketing remaining plots. Completing the procurement phase of the project to improve broadband infrastructure across the county. Works expected to commence spring 2013
- Supporting the DMP in the delivery of the ERDF- funded project, Developing the Staffordshire Visitor Economy, over the period 2013-15, which includes support for SME efficiency and marketing development.

An Example of a Strategic Partnership Delivery Plan and Update

Who are the key partners we are working with?

- Stoke-on-Trent and Staffordshire Local Enterprise Partnership.
- City of Stoke-on-Trent Council.
- District and Borough Councils.
- UK Trade & Investment.
- Chambers of Commerce (e.g. NSCCI) & Federation of Small Businesses.
- Financial organisations, including BCBS.
- Broadband Delivery UK (DCMS).
- Staffordshire Destination Management Partnership (DMP)

So what difference is it making or will it make in the future?

- We are promoting our needs directly to government. Examples include meetings with Ministers and MPs and requests for local input.
- The inward investment service will result in a more cohesive approach to managing inward investment opportunities. As such there is an expectation that the levels of investment will increase or at least maintain the current high standards.
- The single point of contact for businesses has and will continue to streamline provision of support and signposting by building on the experience of the pilot.
- The Growing Places Fund will unlock infrastructure blockages with funding being recycled for reinvestment.
- The Staffordshire Business Support Fund provides a further opportunity for small businesses and start-ups to access finance unavailable from banks, helping to safeguard existing employment, create new jobs, and support the formation of new businesses across the county. The new contract is in partnership with Stoke on Trent to cover all areas of the local economy.
- The Local Broadband Plan, approved by Government, will ensure that the selected supplier invests to upgrade broadband infrastructure to make superfast broadband available to at least 90% of premises by May 2015, and eliminating not-spots and slow-spots from the county.
- Through the DMP, £543k of ERDF funding has been secured to develop the Staffordshire leisure and business visitor economy.

Challenges to success?

- The macro-economic climate continues to be challenging, and businesses may choose a cautious approach when considering expansion plans.
- The districts based in the south of the county are members of both the Greater Birmingham & Solihull LEP as well as the Stoke-on-Trent and Staffordshire LEP. As such, they have exposure to two sets of enquiries regarding investment, resulting in a potential conflict of interest.
- The Staffordshire visitor economy is fragmented and SMEs attracted by alternative destinations, e.g. Marketing Birmingham, the National Forest, the Peak District and Marketing Cheshire.

Next Steps?

- Continue the development of the initiatives set out above.
- Work closely with partners across Staffordshire to deliver the best environment of business and ensure that local businesses are well informed and supported.
- Building on links with UK Trade & Investment.
- Further development of the work with CEBA.
- Promote the designation of our area as a Transition Area in the EU Funding programme for 2014-2020

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One Swindon Audit Report Recommendations – 30th September 2013: Information for Audit Committee 5th November 2013

NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT.	MANAGEMENT UPDATE SEPTEMBER 2013
1.1	The enablers outlined in the paper "One Swindon: One Vision – Translating Vision to Action" should be introduced. Priority: High	Head of Strategy and Research March 2014	Agreed. Work has already started on enabling work with GWH.	
1.2	The relationship between the One Swindon Partnership and the Health and Wellbeing Board should be defined. Consideration should be given as to whether it would be more effective to combine both Boards to ensure common goals are achieved effectively and to minimize duplication. Priority: High	Head of Strategy and Research October 2013	Agreed. We are in the process of defining what this could look like moving forward.	This has not moved forward at the moment. The One Swindon Board is currently committed to Public Sector Transformation and whilst there are links with the H&WBB the PST agenda is much wider than the remit the H&WBB holds. This could be considered again post April.
1.3	The 2012 Residents Survey should be considered as a baseline for measuring the progress of the One Swindon Partnership, along with any other relevant data available. Once baselines have been identified, targets should be set outlining the improvements expected through the One Swindon Partnership and the timescales. This will allow the Council to demonstrate that the One Swindon Partnership is moving in the right direction and making the difference expected. Priority: High	Head of Strategy and Research July 2013	Completed. The One Swindon annual report will do what the Staffs SSP progress report does. This report went to the One Swindon Board in June 2013 and full Council and partner boards in July 2013. There was also a session with Corporate Board, 8th July 2013, to ensure that One Swindon is fulfilling its potential.	The One Swindon year 2 Report was agreed by the Board in June 2013.

One Swindon Audit Report Recommendations – 30th September 2013: Information for Audit Committee 5th November 2013

NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT.	MANAGEMENT UPDATE SEPTEMBER 2013
1.4	<p>A 2013/14 delivery plan should be prepared by the Leadership Board in conjunction with the Delivery Board. This should include:</p> <ul style="list-style-type: none"> • realistic and, identifiable projects • expected benefits • clear linkage to the One Swindon priorities and outcomes • timescales <p>New agreed business cases should be added as they are approved by the Leadership Board.</p> <p>The Delivery Board should meet monthly, as defined in its terms of reference.</p> <p>The reasons for the lack of meeting in 2012/13 should be identified and addressed to ensure future meetings are not cancelled.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>October/ November 2013</p>	<p>Agreed</p> <p>A One Swindon Delivery Plan will not be completed. However, there will be a plan with measures and milestones in place so that we can measure the impact of community budgets on One Swindon outcomes.</p>	<p>The One Swindon priorities have been subsumed into the Public Sector Transformation (formerly community budgets) agenda which the board is undertaking. Their ambition is to have a suite of transformational business cases ready to be in place in 2014/15 which will save the public sector money and create better outcomes for the people of Swindon. These will of course be measurable. The first set of outline business cases will go to the One Swindon Board in October, with further financial modelling work being completed between Oct-Dec.</p> <p>We are reviewing the terms of reference of the One Swindon Delivery Board to ensure that the right people are around the table – their meetings will be ad hoc and as and when over the next 6 months to fit in with the Public sector transformation agenda.</p>
1.5	<p>A consistent performance management process, including integrated project management reporting should be established.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>December 2013</p>	<p>Agreed</p> <p>There will be a performance framework linked to the community budget projects which will be agreed by the Board at the end of 2013.</p>	<p>This will be developed alongside the business cases and will go the One Swindon Board Away day in December.</p>

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NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT.	MANAGEMENT UPDATE SEPTEMBER 2013
1.6	A risk register for the One Swindon Partnership should be developed, including mitigating actions for all risks identified. This register should be reviewed at least quarterly by the Leadership Board to ensure the Partnership risks are managed or action taken promptly if needed to address any risk causing concern. The Boards' terms of reference should be updated to include risk management responsibilities. Priority: High	Head of Strategy and Research October – November 2013	Agreed There will be an updated risk register in place for the community budget projects which will also cover the One Swindon outcomes.	This will be developed alongside the business cases and the performance framework and will go the One Swindon Board Away day in December.
1.7	The role of the People and Places pillar in the One Swindon Governance structure should be reviewed and clarified. This should include defining the role of the bi-annual One Swindon Conference. Priority: Medium	Head of Strategy and Research December 2013	Agreed The next conference will be in February 2014 and we will, before then, attempt to clarify the governance structure.	The date of the next conference is between April – June 2014. The role of 'People & Places' will be more clear as the business cases are developed as most of them will require some degree of input around community capacity building.
1.8	The continued involvement of the Overview and Monitoring Group in the One Swindon Partnership should be re-evaluated to decide if it still has a part to play in the future governance arrangements of One Swindon. Priority: Medium	Head of Strategy and Research October 2013	Agreed We are undertaking a review of this group in light of the Chair's resignation and the fact that Board members find it low impact – high resource at the moment. A report will go to the Board meeting in October 2013.	The research and interviews to inform this report have been completed – we will be compiling the report and its recommendations during October/November. The final report will go to the One Swindon Board in December.

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NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT.	MANAGEMENT UPDATE SEPTEMBER 2013
1.9	At least annually, the Leadership and Delivery Boards of One Swindon should review their performance against their terms of reference. Following such a review any necessary changes should be made to the terms of reference to reflect the operation of the Board concerned. Priority: Medium	Head of Strategy and Research Annually	Agreed We are currently working on joint working agreements with partners in light of community budgets – this will form part of our new terms of reference.	The Joint Working arrangements will be developed during November, will go to Cabinet during October, One Swindon Board in December and partner sovereign board during Jan-March 2014. New terms of reference will fall out of these new working arrangements.
1.10	The number of people entitled to sit on the One Swindon Leadership Board should be reviewed to establish whether the number is appropriate and workable. Priority: Medium	Head of Strategy and Research Annually (April 2014)	Agreed The membership of the Board at the moment covers all of the main public sector agencies as well as elected members and a representative for the Voluntary and Community Sector. When we review governance in April, we will review the membership.	As we move forward with the development of Joint working agreements it will become apparent who should be part of the Board structure.

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NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT.	MANAGEMENT UPDATE SEPTEMBER 2013
1.11	<p>Leadership and Delivery Board minutes should be produced promptly.</p> <p>Meetings should formally review previous minutes and action points to ensure they have been implemented.</p> <p>It should be obvious at the meeting concerning what decisions and actions have been agreed, along with associated timescales and people responsible.</p> <p>A reconciliation of the remaining Performance Reward Grant monies should be undertaken and the available figure be available for future Leadership Boards to enable decisions to be made with the knowledge of how much is available and how much would be left.</p> <p>Priority: High</p>	<p>Head of Strategy and Research</p> <p>June 2013</p>	<p>Agreed</p> <p>The minutes of the Board take more than a month to be completed by the committee section – however, there are always, within three days, a set of notes and actions which are prepared by the partnership team and go to all Board members.</p> <p>There is only £900 left and there will be an update on the projects which have been supported and how much is left.</p> <p>(July 2013 completed – minutes and actions are now reviewed at each meeting going forward, PRG report has been to the Board.</p> <p>Since the meeting took place the Wiltshire Probation Trust has had several conversations with Rob Pollock from the Treasury and are meeting with colleagues from Tri-Boroughs to look at synergies as well as connecting with the strengthening families team around offenders and their families).</p>	<p>Partnership Team continue to supply action points and bullets immediately following the One Swindon Board meetings. Notes are now reviewed as a matter of course at the start of each mtg.</p> <p>A PRG report went to the Board in July advising them of which projects have been supported and how much money is left. However at the time of writing, we have had capital PRG funding pound-swapped to revenue. A paper will go to the Board in October to advise the Board accordingly. The funding will be used to pump-prime projects/pay for expertise to help with the Public Sector Transformation Agenda.</p> <p>Swindon is now part of the Public Sector Transformation Network and as part of this network is able to draw on resources available from ~Whitehall colleagues.</p>

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NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED BY	MANAGEMENT RESPONSE AT TIME OF AUDIT.	MANAGEMENT UPDATE SEPTEMBER 2013
1.12	<p>The purpose and progress of the One Swindon Partnership should be communicated to all staff, with managers being encouraged to explain how their departmental business plan links up through to the One Swindon priorities and outcomes.</p> <p>Priority: Medium</p>	<p>Head of Strategy and Research</p> <p>completed in June 2013</p>	<p>Completed</p> <p>A front-line multi agency event was held in Sept 12 for staff across the partnership to look at how OS links to their everyday work.</p> <p>Departmental business plans should all link to the corporate priorities which in turn link to One Swindon.</p> <p>We also held a series of staff lunch & learn sessions last year around One Swindon.</p> <p>We have a One Swindon newsletter which goes monthly to around 1100 people which includes staff, residents, community groups, partners etc.</p>	<p>We continue to communicate to staff/residents/partners through the One Swindon Newsletter which goes out monthly to over 1200 people.</p> <p>We have also been communicating to staff through SBC communications bulletin, managers' bulletin and a meet and greet session around Public Sector Transformation, the outcomes we are working towards and information on the team of partner secondees who are working with us. Part of the secondees role is to ensure that their sovereign organisations are kept informed and up to date.</p>
1.13	<p>All partners should have links from their websites to the One Swindon website. The One Swindon website should be refreshed to provide all agendas and minutes of the Leadership and Delivery Board meetings including adding appropriate papers submitted to those meetings. Separate tabs could be set up for each Board and the Swindon Conference to improve navigation around the site.</p> <p>Priority: Low</p>	<p>Head of Strategy and Research</p> <p>Oct 2013</p>	<p>Agreed</p> <p>The website will be moved onto SharePoint later this year and refreshed.</p> <p>The Leadership and Delivery Board meetings are not public so we précis the Leadership Board notes and put them on the site.</p>	<p>The website at the moment is being transferred to share-point during October/November and will be up and running normally shortly.</p> <p>The Leadership Board and Delivery Board are not public meetings. We will continue to précis the meeting minutes and put them on the site.</p>



Public Service Transformation Network

One Swindon: public service transformation through partnership Joint Statement of Intent (7 October 2013)

Background

Transformation through partnership is a key strategy for Government and for Swindon's local public services, in order to co-design practical reforms that will deliver outcomes better, at a lower cost, at the local level.

Following the four Whole Place Community Budget pilots, the Government is encouraging all areas to develop their own reforms to local public services. To support these reforms, the Government has developed a multi-agency Public Service Transformation Network. Swindon is one of nine local authority areas chosen to receive intensive support from the Network.

This Joint Statement of Intent sets out a commitment from One Swindon partners and the Network to work together to transform local public services in Swindon. It presents a good opportunity for mutual learning and support through closer working with the Network, which will enhance Swindon's local capacity and capability to deliver the transformation. By sharing Swindon's experience, the Network will encourage other local authority areas across the country to transform their public services.

Vision

Our vision for transforming Swindon's local public services through partnership is:

"Swindon is a place where effective collaboration with local partners and residents drives the best use of all available resources and results in improved value for money and outcomes for local people; particularly in our shared priorities of reshaping adult demand, strengthening families, reducing reoffending, and growing the economy. In doing so, Swindon's local public services consistently encourage independence and self-reliance in individuals, families and communities."

Aims, Objectives and Priorities

To realise our shared vision, our twin aims are to deliver public service transformation through partnership and to create a sustainable transfer of capability from the Network to Swindon.

Aim 1: delivering public service transformation in Swindon through partnership

Our objective is:

"To develop an approved suite of cross-organisational transformational business cases ready to start implementation in 2014/15 which, over the course of three years, will contribute 20%-25% of our total combined savings targets whilst maintaining or improving outcomes."

We have prioritised reshaping adults demand, strengthening families, and growing the economy because they are the existing change programmes that most require transformation through partnership. In addition to our priority of reducing reoffending, they are our four priorities that provide the best opportunity to learn from the Network because of their similarity to the focus of the Whole Place Community Budget pilots.

Whilst the specific detail of the proposals for business cases continues to be developed, we currently expect them to focus on:

- Reshaping adult demand for local services by enhancing and supporting independent living in the community through-
 - Focussing on reducing hospital readmissions and reducing dependency through provision of integrated community based health and social care.
 - Improving access to community sources of support for adults with mental health problems.
- Strengthening Families
 - Troubled Families ~developing the approach to multi-agency planning, information sharing, and the role of lead professional.
 - Drugs and Alcohol ~ Alcohol Support and Advice project - community based peer mentoring by recovered clients to support the first steps towards recovery
 - Reducing Domestic Abuse ~ developing the approach to reducing reoffending, and better recognition of abuse.
- Growing Swindon's Economy:
 - Ready for Work Academy ~ working with employers to identify and develop employment and employability skills.
 - The Local Supply Chain ~ growing the market share of procurement from local suppliers across all sectors.
 - Commissioning ~ developing a shared approach to commissioning and procurement across the public sector.
- Work to enable each of the above priorities by:
 - Developing an integrated front line local public sector workforce capable of reducing demand for local public services ~ looking at aspects such as the community safety partnership, collaboration across the town centre, co-location and the development of community engagement, circles of support and more effective first customer contact.
 - Redesigning a more locally sensitive and preventative service provision based in accessible community settings to reduce the risk of reoffending by target cohorts
 - Developing social marketing campaign to promote behavioural change in our common customer cohorts

Aim 2: creating a sustainable transfer of capability from the Network to Swindon

To support all the themes identified and the future sustainability of the commitment to continual challenge and transformation, the development and transfer of essential capabilities are critical to this work. These include:

- Whole system financial modelling through the application of cost-benefit analysis to understand better the nature and scale of the costs and benefits and by whom they are realised;
- Redesigning local public services to generate new service delivery models that deliver enhanced outcomes at a lower cost;
- Evaluation of pilots to understand their potential to be scaled-up and transferred to other parts of Swindon;
- Analysis of customer cohorts in common to identify the nature and scale of our shared customer base;
- Encouraging positive behavioural change through targeted social marketing; and
- Removing barriers to sharing local data and information.

For each of these capabilities, we have strengths on which we can build. The Network will help us to do so by ensuring a cross-organisational group of officers has a common understanding of the tools and techniques and consistently applies them to the development of the business cases.

Delivering the objectives

Scope of the Reform Effort

Swindon's challenge is to reduce our £423 million total annual net local public service spend whilst achieving the One Swindon vision.

A One Swindon strategy of large-scale public service transformation through partnership is essential to meet this challenge and to achieve 20-25% of the savings required.

Rigorous cost benefit analysis is, therefore, a key component of our approach as we drive towards our twin goals of maintaining or improving outcomes whilst significantly reducing cost.

One Swindon's Public Service Transformation Delivery Team

One Swindon has established a co-located delivery team, which will work together, within and across partner agencies to facilitate the creation of a suite of transformational business cases. The team will use a range of approaches to develop and enhance existing work. This will include

- Supporting the further development of existing business cases through cross organisational task and finish teams,
- Investigating the potential for the approaches used in the pilot areas to be adopted in Swindon, and
- Building on the change and transformation work already underway across the One Swindon partners.

The team members are:

- Gavin Jones, Sponsor, SBC
- James Griffin, Head of Strategy & Research, Programme Lead, SBC
- Carmel Burton, Corporate Planning Lead, Programme Manager, SBC
- Alison Chamberlain, Partnership Manager, SBC
- Janet Beattie, Partnership Officer, SBC
- Jill Annal, Partnership Manager, Job Centre Plus
- Iain Francis, Swindon Clinical Commissioning Group
- Russell Frith, Wiltshire Probation Trust
- Ian Jeary, Group Commander Wiltshire, Fire & Rescue Service
- Inspector Paul Saunders, Wiltshire Police

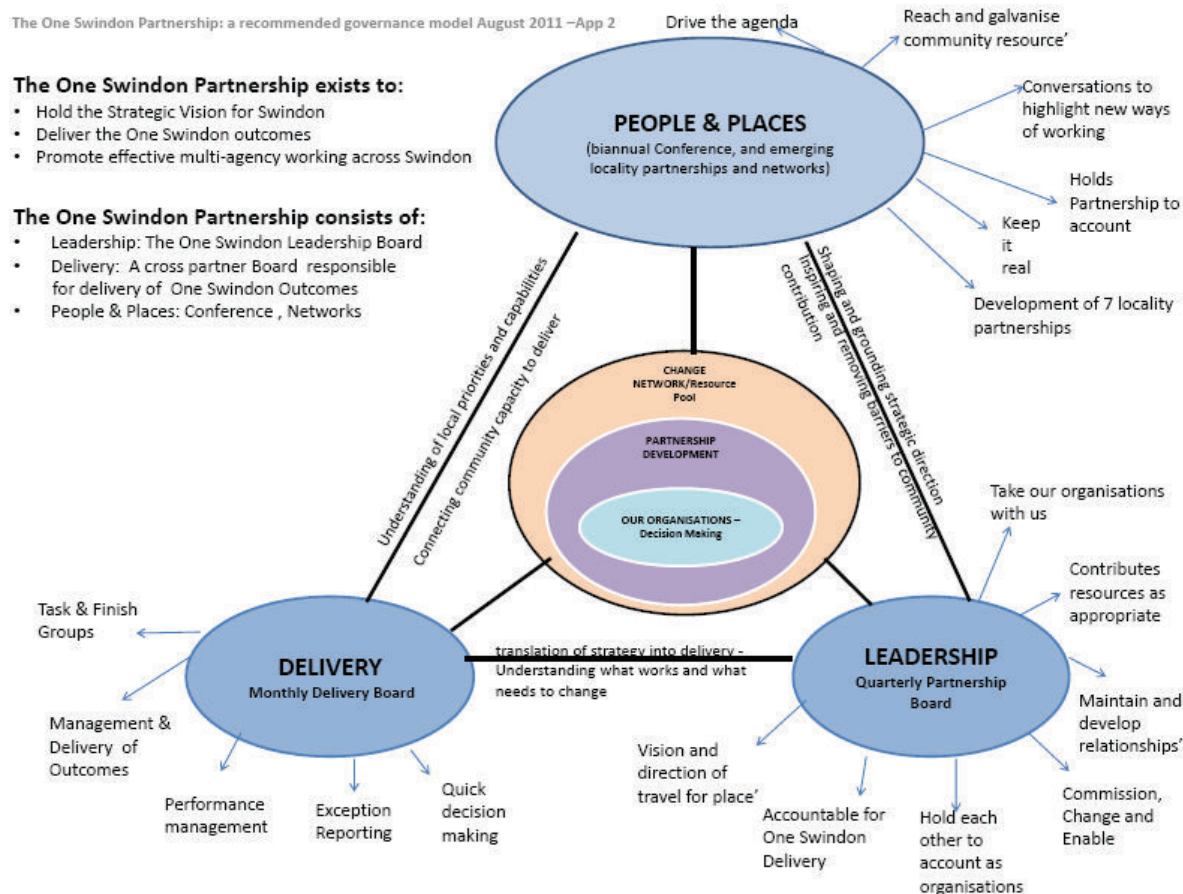
Governance

Swindon will deliver its objectives through specific business cases, which are developed through the following governance:

- The One Swindon Leadership Board of Chief Executives, Non-Executive Chairs and the Leader of the Council. Each business case will be sponsored by a member of the Partnership Board, who will be held to account by the Board.
- The One Swindon Delivery Board of Directors and Heads of Service. Each business case will be led by a member of the One Swindon Delivery Board, who will be supported by the Board.
- The One Swindon Community Conference will challenge and support the development and implementation of the One Swindon public service transformation in partnership strategy and the suite of business cases.

Approval of business cases and subsequent implementation plans will be via the appropriate decision-making boards for each of the One Swindon partners

The structure of the One Swindon Partnership is as illustrated in the diagram below:



Communications

One Swindon has a well-established communications strand, which will be the main route for securing and maintaining engagement, involvement, and input into the transformation programme. This includes the One Swindon Partnership website and newsletter, regular forums and meetings with decision makers in our respective partner organisations, and links to ensure consistent and clear communication at all levels is achieved through partners' existing communication channels.

Swindon will also work closely with the other pilot areas to develop solutions to common challenges and to share learning

Resources

Strategic Direction

Through One Swindon's Leadership Board Strategic leads/Executive, Champions have been assigned to each theme of Public Service Transformation:

- Gavin Jones, Chief Executive, SBC, Sponsor
- Nicky Alberry, Influence
- Pat Geenty, Chief Constable Wiltshire Police
- Angus Macpherson, Police & Crime Commissioner for Wiltshire and Swindon
- Liz Rijnenberg, Chief Executive Wiltshire Probation Trust
- Tony Ranzetta, Chief Accountable Officer, Clinical Commissioning Group

- Simon Routh-Jones, Wiltshire Fire & Rescue Service
- Nigel Tucker, Job Centre Plus
- David Wray, Chief Executive, Voluntary Action Swindon

Each of these strategic leads will report to the One Swindon Leadership Board and will be accountable/for the progress and contribution that their programme makes to the One Swindon vision.

Local partners, Police, Fire and Rescue, Job Centre Plus, the Probation Trust, the Clinical Commissioning Group and Swindon Borough Council have seconded staff into the Public Service Transformation Delivery Team. The team is housed and supported by Swindon Borough Council. Additional support will be provided by the partners. This will include

- Communications advice and delivery
- Finance including cost benefit analysis
- Procurement advice
- Research and evidence support
- Performance and data support
- Legal advice
- Change support

Key Milestones and Deadlines

	Date
Delivery team established	1 st September 2013
Programme Plan in place	5 th September 2013
Submission of outline business cases	8 th October 2013
One Swindon Leadership Board – agreement to proceed with business cases	22 nd October 2013
Completion of draft investment agreements	22 nd November 2013
Submission of finalised business cases	3 rd December 2013
One Swindon Leadership Board – authority to present business cases for approval to partners ‘sovereign boards’	17 th December 2013
Sign off by partners’ ‘sovereign boards’	31 st March 2014

Network Resource Requirements

Swindon’s relationship manager for the Transformation Network is Jane Lord, who will be the first point of contact for Swindon.

The day-to-day contact for One Swindon will be Carmel Burton, Programme manager SBC.

Capability transfer is essential in ensuring that One Swindon’s Public Service Transformation is sustainable and results in long term and significant improvement. To achieve this level of sustained transformation, One Swindon requires the following support and input from the network:

- Capacity, coaching and capability in developing the money flows and benefits across partners, which help achieve the top end of the range of shared savings targets.

- Support to apply the Cost Benefit Analysis tool, including the production of a simplified version for smaller change projects which can be used widely by One Swindon partners to support and understand the wider implications of change work, drive decision making and inform service redesign
- Support to understand and remove the barriers to information sharing
- Expert input into service redesign and the associated change management and implementation
- Expert input about the opportunities for developing the local supply chain within the framework of EU legislation
- Expert input into the development of an evaluation tool to be used by One Swindon partners
- Advice on the opportunities to develop community capacity through work with benefit claimants and through community payback schemes
- Expert input to support the introduction of Social Marketing in Swindon to promote behaviour change across One Swindon partners' common customer cohorts
- The opportunity to benefit from £190K Transformation Challenge Award Funding (and associated local 'matched funding') to increase capacity and accelerate capability transfer in
 - Financial modelling and cost benefit analysis
 - Service redesign
 - Social Marketing
 - Support for transition through generation of additional capacity to support dual running and staff release time for training in new working models
 - Action research and evaluation
- A "critical friend" and challenge from the area's locality manager, Stephen Aldridge DCLG.

Removing Barriers to Transformation

Whilst the joint statement of intent focuses on securing capacity and capability from the Network, we welcome the opportunity the Network provides to discuss what we can do together to remove some of the barriers to Swindon's success. Examples of this include, but are not limited to:

- Changing the Hospital's incentive scheme to remove the perverse incentives to use the hospital and the premature release of patients into the community
- Changing the planned court provision in Swindon to reduce the significant costs (to individuals and the Council) of young offenders travelling from Swindon to Chippenham and Salisbury
- Revisiting the planned changes to the youth offender institute at Ashfield, to avoid increasing the risks to reoffending caused by locating young offenders in Cardiff or London
- Enabling and encouraging greater local procurement to increase economic growth and, through the business rates, increase the Council's financial independence from Government and, by getting more people into work, reduce the growth in benefit take-up by people who are fit to work
- Encouraging Network Rail to release part of their assets to enable the development of Swindon's UTC, which is vital to us achieving the 2,000 extra jobs cited in our City Deal bid

Key Stakeholders and Signatories

One Swindon Leadership Board

Councillor David Renard, Leader SBC

Gavin Jones, Chief Executive, SBC, Sponsor

Nicky Alberry, Influence

Pat Geenty, Chief Constable Wiltshire Police

Angus Macpherson, Police & Crime Commissioner for Wiltshire and Swindon

Liz Rijnenberg, Chief Executive Wiltshire Probation Trust

Tony Ranzetta, Chief Accountable Officer, Clinical Commissioning Group

Simon Routh-Jones, Wiltshire Fire & Rescue Service

Nigel Tucker, Job Centre Plus

David Wray, Chief Executive, Voluntary Action Swindon

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Corporate Risk Management Update

Audit Committee

Date: 5th November 2013

Author: Interim Risk Manager

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To present Audit Committee with a summary report on Risk Management activity within Swindon Borough Council, with the latest Corporate Risk Register.
- 1.2 Following the refresh of the Corporate Risk Management Strategy in November 2012, a progress update is included in paragraph 3.5 which outlines the status of implementation of the framework for Risk Management across the Council.
- 1.3 Audit Committee provides independent assurance to the Council on the effectiveness of the Council's Risk Management, Internal Control and its overall assurance framework. update

2. Recommendations

The Committee is recommended to:

- 2.1 Discuss and gain assurance on the risk management approach and processes working across the Council and risks captured in the Corporate Risk Register.

3. Risk Management

Corporate Risk Register

- 3.1 The Corporate Risk Register is updated and agreed quarterly with Corporate Board Members. It reflects emerging strategic issues and risks from across the organisation. Mitigating actions are monitored for implementation in dealing with identified risks as part of this process.
- 3.2 The Council currently manages risks at three levels, Corporate, Pillar and Change Programme/project. Significant delivery partner/contractor risk registers are being developed as part of the roll out of the Risk Management Strategy.
- 3.3 The Corporate Risk Register is provided at appendix 1 and includes the respective triggers, current controls and mitigating actions for each risk entry. There are currently nine strategic risks captured in the Corporate Risk Register, and there have been two risk entry movements in the last quarter, these are:
 - Removal of the Swindon Commercial Services Ltd (SCS) risk relating to the return of financial rebate to the Council. This has been mitigated with future actions captured in the Reintegration of SCS change programme.

Further information on the subject of this report can be obtained from Lorraine Sarson, 01793 463936, lsarson@swindon.gov.uk.

Corporate Risk Management Update

Audit Committee

Date: 5th November 2013

There are currently no other significant SCS related risks identified from a review of SCS Ltd, Council Pillar and Client risks registers. From risk monitoring meetings with the Interim Managing Director of SCS (Board Director Service Delivery) and the Board Director of Resources the Reintegration of SCS change programme is on target to achieve its outcomes.

- The Stronger Together Programme Director has added a Community Capacity risk to manage insufficient capacity and capability in communities to take up reductions in public services.

3.4 The significant risks (see appendix 2 – Corporate risk profile), before mitigating actions, on this register can be summarised into five main areas:

- 'Delivering our agreed key objectives'
- 'Meeting the 'Medium Term budget challenge'
- 'Delivering the value and benefits of the Stronger Together Programme'
- 'Developing Community Capacity'
- 'Health, Safety and Wellbeing'

A feature of these key risks is that they are closely linked to each other and are captured in our business change programmes and projects and also in our organisational values and behaviours. For example the risk around developing community capacity will be strongly influenced by our ability to manage the risk around the delivery of the Stronger Together programme benefits. This is also true in relation to:

- our ability to meet current and future financial challenges and transform and develop our own organisational culture, and capabilities and capacity;
- developing a co-productive, less dependent relationship with the community though successful delivery of the Stronger Together programme will be key to increasing the Council's own capacity and managing demand.

Therefore, the interdependencies of these risks to achieve successful outcomes are significant and continue to be closely monitored and reviewed as part of the maturing risk management process.

3.5 Development of Risk Management

3.5.1 Implementation of the Risk Management Strategy.

Since the refresh of the Risk Management Strategy in December 2012 the Interim Risk Manager has been implementing the framework for Risk Management across the Council and with significant partners and contractors. The framework is intended to reflect the changing environment in which the Council is operating, agreed organisational priorities and strategies and the change in organisational structures

Further information on the subject of this report can be obtained from Lorraine Sarson, 01793 463936, lsarson@swindon.gov.uk.

Corporate Risk Management Update

Audit Committee

Date: 5th November 2013

implemented as part of the Stronger Together programme and Public Sector Transformation agenda.

3.5.2 Risk Management Spotlight Session

A regular Corporate Board Risk Management Spotlight Session was introduced in March 2013 with the support of the Chief Executive. The intention of these sessions is for the Interim Risk Manager and Corporate Board to develop the Council's risk management maturity by applying risk management best practice and guidance. The ALARM (Public Risk Management Association) National Performance Model for Risk Management was used to facilitate a self-assessment health check to test the organisation's Risk Management performance against this assessment framework. There are five levels of risk management maturity in the model this rises from level one – Engaging to level five – Driving, with level five being the highest. Following the self-assessment health check a maturity level of two – Happening, was demonstrated and Corporate Board set a developmental performance target of level 3 – Working, set to be achieved by 31st March 2014.

3.5.3 Risk Management Training and awareness

To develop the Council's risk maturity, training was identified and arranged to support the introduction of the Council's major new Change Programmes, established to deliver transformational change and savings. Zurich Municipal Ltd, the Council's insurers, facilitated this session in May 2013 which was attended by Programme Sponsors and Programme Managers and other interested Officers. This training was well received with the outcomes contributing to the reporting of key risks to Corporate Board.

Risk Management Training has been developed in-house to aid staff in their understanding of risk, roles and responsibilities and the basics of risks management. This E-learning module is available through the Council's Intranet site and the Learning Zone. It has been publicised in the Manager's Brief highlighting the need for relevant managers to carry this out.

The Risk Management Intranet pages have been updated to ensure that clear and consistent information is available to all officers and members. The pages have been consolidated, rewritten and the guidance and references updated. This information can be found at <http://oneswindon/BusinessSupport/legalcompliancesupport/managerisk/Pages/managerisk.aspx>

The Interim Risk Manager has been working with the Chief Executive, Board Directors and their Leadership Teams and the Change Programme

Further information on the subject of this report can be obtained from Lorraine Sarson, 01793 463936, lsarson@swindon.gov.uk.

Corporate Risk Management Update

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Sponsors and Programme Managers to moderate the completion of risk registers and to identify, manage and escalate emerging issues and risks across the organisation.

4. Insurance

- 4.1 During 2012 an insurance tender was carried out as the provider contract was due to expire at the 31st December 2012. The outcome of this exercise was that some reductions in premium were obtained together with some improvement in the terms being provided by insurers. The Tender was won by the existing insurer, Zurich Municipal Ltd.

Following the announcement that Swindon Commercial Services is to be brought back into the Council, negotiations are presently under way to ensure that insurance cover will have been amended to meet the needs of the Council going forward.

- 4.2 The number of claims being made against the Council is still reducing and more claims have been successfully defended resulting in savings in the amounts paid out. However, this situation may reverse when Swindon Commercial Services comes back into the Council as their claims record has been poor over the last three years. A lot of work needs to be done to obtain improvements which will take time to achieve.

A summary of the claims since April 2010 is set out below.

	April 2010 to March 2011		April 2011 to March 2012		April 2012 to March 2013	
	Claims	Cost £'s	Claims	Cost £'s	Claims	Cost £'s
Employers Liability	14	£202,561	7	£64,230	10	£42,204
Motor	3	£17,198	1	£1,955	4	£3,920
Property	51	£209,577	38	£95,648	15	£61,757
Public Liability	228	£491,108	148	£781,768	144	£531,572
Total	296	£920,444	194	£943,601	173	£639,453

Note - The above claims figures are the latest available as at 30th September 2013. The next period figures will be compiled in November 2013.

- 4.3 In April 2013, new rules relating to making claims were introduced with further changes in July. The main changes were the reduction in time allowed to defend a claim, and it is now extremely important that the various departments throughout the Council respond promptly to requests for information when claims are made. Failure to meet the timescales may result in the claim being awarded against the Council, and monies having to be paid out to the claimant. Another change related to the way in which the claimant's solicitors operated on a 'no win

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Corporate Risk Management Update

Audit Committee

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no fee' basis. Over time, it is hoped that this will reduce the overall claim payments being made as, in many cases, the bulk of the payment relates to the claimant's solicitor's costs.

5. Business Continuity Management

- 5.1 The impact of an influenza outbreak on the vulnerable people the Council cares for and on provision of service has been recognised and a joint seasonal flu vaccination programme with our partners in Capita was authorised in autumn 2011. This programme helped to reduce staff sickness in the Council alone by 371.5 days in the period September 2011 to end August 2012. The effect of this is to increase service resilience against a flu outbreak, and reduce the risk to vulnerable service users. The seasonal flu vaccination programme was again authorised for 2012/2013 and for 2013/2014. The programme this year will commence in November 2013 and will continue to at least mid-December 2013. The Head of Civil Protection together with Corporate Health and Safety provide essential support to the delivery of the programme.
- 5.2 Business continuity supported areas to manage the scheduled power down of the Server Room over the weekend of 27th and 28th April 2013 and further planning is currently being carried out regarding the planned power down of the Server Room on 23rd and 24th November 2013.
- 5.3 Cross-border work and benchmarking has been and continues to be carried out with other authorities that include, Gloucestershire, Oxfordshire, Wiltshire, Hampshire and Dorset.
- 5.4 The duty to promote business continuity and provide advice to business and voluntary sectors has been carried out. A new programme of cooperative working with Wiltshire Fire and Rescue has been initiated targeted at larger businesses. As the hotel sector is an important facet of the Swindon economy, another new initiative has been developed with the Hoteliers Association. Regular meetings have been held during which business continuity and emergency planning advice has been given.
- 5.5 A new "Swindon Safer and Resilient Hotels Programme" has been developed and implemented with the Holiday Inn Express Swindon Centre to train their staff to be able to handle the risks faced by the Hotel. This training was support by colleagues from the Police and the Fire and Rescue Service. The Holiday Inn Express Swindon has now been shortlisted for an international award for this training reflecting well on the Council.

6 Civil Protection

- 6.1 Pathfinder Project - The Head of Public Protection and StreetSmart, the Business Continuity Manager and the Head of Civil Protection were responsible on behalf of the Council (as the Lead Authority) for submitting a bid for Defra funding for a

Further information on the subject of this report can be obtained from Lorraine Sarson, 01793 463936, lsarson@swindon.gov.uk.

Corporate Risk Management Update

Audit Committee

Date: 5th November 2013

Pathfinder Project in Community Resilience for Flooding. The bid which was worth in excess of £278,000 was successful and is being used to fund a two year pilot project in the East Locality of Swindon. The Defra project criteria required the work to be carried out in an area with a high deprivation index as well as susceptibility to flooding and the East Locality East was the area in the Borough of Swindon that best matched this criteria. The project is well underway and regularly evaluated by both Defra and the University of The West of England. The strapline for the project is “Resilience through Education”.

- 6.2 Plans and Guides - During the course of the past year, and particularly following the dissolution of the Primary Care Trust, the Council's Major Incident Guide and Recovery Plan have been rewritten to reflect the changes that have occurred with our Public Health Partners. Following consultation with HM Coroner and in preparation for any future Flu Pandemic, a detailed framework guide has been drawn up in conjunction with external and internal partners to ensure that the Council is well prepared to manage an excess deaths event.

- 6.3 Training/Exercising – The past year has been a busy one in respect of training and exercising. The Civil Protection Unit has been involved in the planning and delivery of a multi-agency strategic exercise, “Exercise Red Kite”. Key members of this organisation at a strategic and tactical level took part in this exercise which was held over two days on the 9th/10th October. The Exercise was visited by the Leader of the Council on the first day. Other key personnel within the Council have been trained in Integrated Emergency Management at both the tactical and operational levels.

The Unit together with the Business Continuity Manager has also been involved in the delivery of training to the Swindon Chamber of Commerce and the Swindon Hoteliers Association.

Further extensive training will be rolled out in 2014 to enhance the Council's and its strategic partners' resilience in dealing with emergencies. The Unit is looking at cost effective ways of delivering training through the Local Resilience Forum and other regional initiatives.

- 6.4 Winter Resilience

The Unit in conjunction with the Business Continuity Manager is looking at providing winter resilience which will include mitigating the effects of the following:

- severe weather outbreaks
- industrial action regarding fuel
- flu
- staff shortages.

Further information on the subject of this report can be obtained from Lorraine Sarson, 01793 463936, lsarson@swindon.gov.uk.

Corporate Risk Management Update

Audit Committee

Date: 5th November 2013

- 6.5 Health Integration. The Head of Civil Protection worked with the Business Continuity Manager and Louise Doughty, of Environmental Health, in providing a seamless integration with Public Health partners in April this year. These three managers have now jointly taken on the role of preparing Public Health Emergency Plans. It is anticipated that these plans which include Flu Pandemic preparation will be exercised in 2014. The Swindon Resilience Forum that had been established by SBC with Health partners continues to meet regularly to provide strategic direction and ensure risk-based planning for health emergencies in Swindon.

7. Alternative Options

- 7.1 Not applicable, the report outlines key risk management activity carried out to deliver the objectives of the Risk Management Strategy.

8. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 8.1 The risk management budget supports funding for delivering the risk management strategy. General risk management related costs to be absorbed by existing budgets.

Legal and Human Rights Implications

- 8.2 As part of the Accounts and Audit regulations 2011, it is a statutory requirement that the Council maintains a robust, adequate and effective system of Risk Management in the delivery of its core services.
- 8.3 The Civil Contingencies Act 2005 imposes duties on the Council to meet its responsibilities as a Category 1 responder, which as a public sector organisation has a key role to play in the response to and management of an emergency.

Links to One Swindon, Strategic Objectives, Plans and Policies

- 8.4 The Risk Management Strategy and the Corporate Risk Register are management processes that support the successful delivery of the One Swindon outcomes and the Strategic Objectives, Plans and Policies.

Diversity Impact Assessment

- 8.5 A Diversity Impact Assessment has not been completed for this report, as it is a summary of actions taken. Where applicable, Diversity Impact Assessments have been undertaken which cover the following component actions of the report and these are held in the responsible service areas.

Further information on the subject of this report can be obtained from Lorraine Sarson, 01793 463936, lsarson@swindon.gov.uk.

Corporate Risk Management Update

Audit Committee

Date: 5th November 2013

Risk Management

- 8.6 A Risk Assessment has not been completed for this report as it is a summary of risk management activity overall. The Corporate Risk Register is the corporate assessment of key risks facing the Council at this time.

9. Consultees

- 9.1 The Board Director of Resources, (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- 9.2 The Chief Executive, Corporate Board, Head of Internal Audit, Insurance Manager, Business Continuity Manager and Head of Civil Contingencies, Head of Strategy & Research, Head of Business Services & Support, Strategic Commissioner – Major Partnerships were also consulted in respect of this report.

10. Background Papers

- 10.1 None

11. Appendices

Appendix 1 – Corporate Risk Register, updated October 2013 (*To follow*)

Appendix 2 – Corporate risk profile (before and after mitigating actions) (*To follow*)



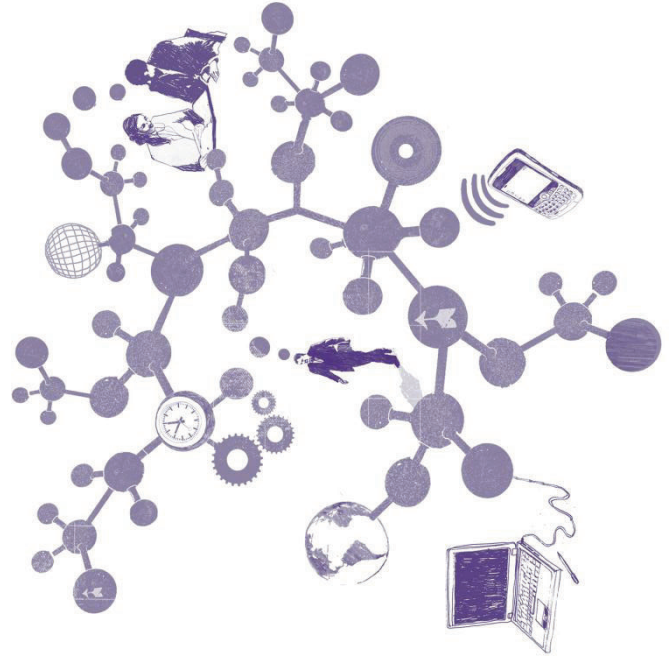
The Annual Audit Letter for Swindon Borough Council

Year ended 31 March 2013

25 October 2013

Elizabeth Cave
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Section 1: Executive summary

01. Executive summary
02. Audit of the accounts
03. Value for Money
04. Certification of grant claims and returns

The Council has met the financial challenges of reduced funding well, but these now look set to continue for several years. The Medium Term Financial Strategy provides a solid base, but future challenges and risks are considerable.

Executive summary

Purpose of this Letter

Our Annual Audit Letter ('Letter') summarises the key findings arising from the following work that we have carried out at Swindon Borough Council ('the Council') for the year ended 31 March 2013:

- auditing the 2012/13 accounts and Whole of Government Accounts submission (Section two)
- assessing the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (Section three)
- certification of grant claims and returns (Section four).

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. We reported the detailed findings from our audit work to those charged with governance in the Audit Findings Report on 24 September 2013.

Responsibilities of the external auditors and the Council

This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

The Council is responsible for preparing and publishing its accounts, accompanied by an Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (Value for Money).

Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 23 April and agreed by the Audit Committee on 25 June 2013 and was conducted in accordance with the Audit Commission's Code of Audit Practice ('the Code'), International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

Audit conclusions

The audit conclusions which we have provided in relation to 2012/13 are as follows:

- an unqualified opinion on the accounts which give a true and fair view of the Council's financial position as at 31 March 2013 and its income and expenditure for the year
- an unqualified conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources
- an unqualified opinion on the council's Whole of Government Accounts submission
- so far we have certified 2 grant claims and returns, 1 of which was certified without amendment. Neither were qualified. Our work auditing 2 further claims is on-going.

Executive summary

Key areas for Council attention

We summarise here the key messages arising from our audit for the Council to consider as well as highlighting key issues facing the Council in the future.

The Council continues to operate in a difficult financial climate. Indications are that public sector spending will be subdued for several years, with the government setting a target of achieving a budget surplus in the next parliament. This may well lead to further reductions in government funding for local authorities.

The Council's process for financial forecasting and developing financial assumptions is robust and the Council has a strong recent track record on delivering budgets and savings plans. However, given that the expected cumulative financial gap over the next three years is £50m and that future budget predictions are subject to uncertainty, officers and members will need to continue working effectively and proactively together to manage the risks the Council faces and to bridge any funding gaps identified.

The Council has responded well to the challenges of the Local Government Finance Settlement, delivering savings and targeting its resources effectively. Overall spending per person is low compared with similar Councils.

The Council is currently managing the following significant risks:

- entering into a joint venture partnership for the Wichelstowe development
- the provision and cost of adult social care
- implementing another four key transitional change projects
- maintaining adequate oversight of its arms length subsidiaries

Acknowledgements

This Letter has been agreed with the Chief Executive and Director of Resources and will be presented to Audit Committee on 5 November 2013.

We would like record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
October 2013

Section 2: Audit of the accounts

01. Executive summary
02. Audit of the accounts
03. Value for Money
04. Certification of grant claims and returns

Our audit of your accounts went well and we were able to issue an unqualified opinion and Value for Money Conclusion by the 30 September deadline.

Audit of the accounts

Audit of the accounts

The key findings of our audit of the accounts are summarised below:

Preparation of the accounts

The Council presented us with draft accounts on 28 June 2013, in line with the national deadline. Appropriate working papers were made available from the start of the audit, which commenced on 15 July 2013.

Issues arising from the audit of the accounts

The Council's accounts contained few errors. There were no material errors and only two other significant errors both of which were adjusted by management. In addition a small number of adjustments and changes were made to enhance disclosures in the accounts.

We discussed a number of issues with management including:

- As a result of our audit the Council increased its estimate of the liability arising from its PFI scheme by £3.923m. This was as a result of a comparison of our firm's model for calculating the liability with that used by the Council. The increase in the estimated liability was necessary due to the Council recognising that some initial costs had been excluded from its own model. The difference in liability does not automatically lead to an impact on the payments the Council has agreed to make over the life of the PFI scheme, although there is a risk that the scheduling of interest (revenue) and principal (capital) costs in the past and in the future may be incorrectly calculated in the Council's model. There remains a further difference of £7.1m between the Council's model and our model which management have agreed to investigate.

- We noted that the Council could not easily produce a complete schedule of assets under construction. The balance includes over £60m in relation to infrastructure at Witchelstowe which has been growing over the last few years pending the planned adoption of the site by a developer. The Council as highways authority has not yet adopted the infrastructure as the development is not complete but has agreed to review this policy and its accounting treatment next year. Following our audit the situation was disclosed in a note to the accounts. We plan to carry out further work on the issue.

- The need to ensure that the financial situation of the Council's arms length bodies (e.g. Swindon Commercial Services and Thameadown Transport Ltd) and Witchelstowe is closely monitored so that any financial impact can be reflected in future revisions of the Council's Medium Term Financial Strategy.

Annual governance statement

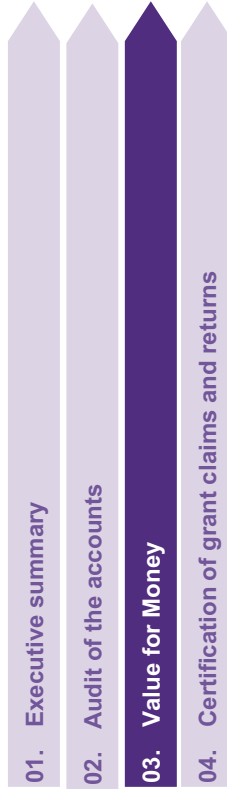
The Council has in place a thorough and robust process to produce the annual governance statement. The statement was consistent with our knowledge of the Council and compliant with guidance issued by CIPFA.

Conclusion

Prior to giving our opinion on the accounts, we are required to report significant matters arising from the audit to 'those charged with governance' (defined as the Audit Committee at the Council). We presented our report to the Audit Committee on 25 September 2013 and summarise only the key messages in this Letter.

We issued an unqualified qualified opinion on the Council's 2012/13 accounts on 30 September 2013, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the accounts give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council. As we had not completed our work on Whole of Government Accounts by the date of our opinion we issued our certificate confirming our audit was complete on 4 October 2013.

Section 3: Value for Money



We were able to give an unqualified Value for Money Conclusion. We identified that the Council has some significant risks to manage including the need to find a new partner for the Wichelstowe development and the need to continue to develop the experience of skills of members to help them understand the risks and challenges in the more complex areas of the Council's business.

Value for Money

Scope of work

The Code describes the Council's responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources
- ensure proper stewardship and governance
- review regularly the adequacy and effectiveness of these arrangements.

We are required to give a VFM conclusion based on the following two criteria specified by the Audit Commission which support our reporting responsibilities under the Code:

The Council has proper arrangements in place for securing financial resilience. The Council has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.

The Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness. The Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Key findings

Securing financial resilience

We have undertaken a review which considered the Council's arrangements against the three expected characteristics of proper arrangements as defined by the Audit Commission:

- financial governance
- financial planning
- financial control.

Our work highlighted that the Council's financial management and control procedures are robust. However, the Council is facing significant challenges due to the squeeze on local government finances as well as the risks associated with the Wichelstowe project. The expected financial gap is almost £50m over the next three years and six key transformation projects are underway to help bridge it. It is too early to assess how effective they will be.

The Council's process for financial forecasting and developed financial assumptions is robust. Financial plans are regularly reviewed and include effective use of earmarked reserves and contingencies to manage financial risks. The two biggest internal risks to the Council's finances are the increasing costs of adult care and the financial risk posed by the Wichelstowe development. Both of these have been highlighted in the Council's new transformational change programme, but the success of the measures being taken is yet to be determined.

The financial risk posed by the Wichelstowe project is significant. The cost of infrastructure on the site is currently not being reimbursed by proceeds from the sale of houses. So far the impact of the interest on debt raised to fund the development has been reduced by money paid from the original developers but this is running out. The Council has carried out a full review of the project master plan and recently appointed new property advisers to help it find a new joint venture development partner to eliminate or minimise the financial risk. If a development partner is not identified or the liability is not fully taken by a partner, the Council's future interest burden will be significant.

Value for Money

In 2012/13 a number of risks arose in relation to the Council's subsidiaries. Swindon Commercial Services Ltd (SCS), had not been able to provide income streams in line with the budget assumptions and Thamesdown Transport Ltd, is also not meeting revenue levels set out in the business plan and the budget contribution to the Council has been reduced. These risks are being closely managed, including a decision to bring the majority of SCS services back in house.

The Medium Term Financial Plan includes assumptions about the future of the Council's arms length bodies and the Witchelstowe development which should be closely monitored

The Council should continue to develop the financial skills and experience of all members to equip them to make appropriate financial decisions and monitor their impact.

Further details are provided in our Financial Resilience report issued in September 2013.

Challenging economy, efficiency and effectiveness

We have reviewed whether the Council has prioritised its resources to take account of the tighter constraints it is required to operate within.

Our work highlighted that the Council is responding well to the challenges of the Local Government Finance Settlement, delivering savings and targeting its resources effectively. The Council's overall spending per person is low compared with similar Councils. Within this, there are some areas of relatively high spend which the Council understands and is taking action on. Adult Social Care is one of these areas and is therefore one of the key transformation projects.

Overall VFM conclusion

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Section 4: Certification of grant claims and returns

01. Executive summary
02. Audit of the accounts
03. Value for Money
04. Certification of grant claims and returns

We have completed our work on the Business Rates and Pooling of Housing Capital Receipts grant claims. Both were certified by the relevant deadline, and without amendment. Our work on the Teachers' Pensions and Housing and Council Tax Benefit claims continues

Certification of grant claims and returns

Introduction

We are required to certify certain of the claims and returns submitted by the Council. This certification typically takes place some six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

We have certified two claims and returns Business Rates and Pooling of Housing Capital Receipts grant claims for the financial year 2012/13 relating to expenditure of £103.4 million. Our work on two further claims (Teachers' Pensions and Housing and Council Tax Benefit) continues

Approach and context to certification

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

Key messages

The key messages from our certification work to date are summarised in the table below. Further details will be provided in our certification report which will be issued in January 2014.

Summary of the Council's arrangements

Aspect of certification arrangements	Key Messages	RAG rating
Submission & certification	Both claims submitted by the relevant deadline. One claim certified with an amendment.	●
Accuracy of claim forms submitted to the auditor (including amendments & qualifications	One claim (Pooling of Housing Capital Receipts) certified with an amendment	●
Supporting working papers	Working papers have been of a good standard.	●

Appendices

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit. There were no fees for the provision of non audit services.

Fees		Fees for other services	
	Per Audit plan £	Service	Fees £
Audit Fee	170,100	None	Nil
Grant certification fee	16,050		
Total fees	186,150		

We have not yet completed our grant certification work. We will report the final fee in our Grant Certification Report.

Reports issued

Report	Date issued
Audit Plan	23 April 2013
Audit Findings Report	24 September 2013
Certification report	Not yet issued
VfM – Financial Resilience Report	24 September 2013
Annual Audit Letter	October 2013



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Forward Swindon Limited – Statement of Accounts

Audit Committee

Date: 5th November 2013

Author: Head of Internal Audit

Wards: None

Locality Affected: None

Parishes Affected: None

1. Purpose and Reasons

- 1.1 At the September meeting of the Audit Committee Members requested that the accounts for Forward Swindon Ltd be brought to their next committee meeting.
- 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 effectively.

2. Recommendations

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

3. Detail

Background

- 3.1 Forward Swindon is the company established by Swindon Borough Council in 2010 to deliver and facilitate economic growth and property development in the town.
- 3.2 Forward Swindon is a limited company, funded by the Council, but operated independently with a private sector dominated Board.
 - Members requested that the financial statements for Forward Swindon be presented to Audit Committee. The Financial Statement for year ending 31st March 2013 is attached as Appendix 1.
- 3.3 Both the Chief Executive and the Director of Resources from Forward Swindon will attend Audit Committee to answer any questions 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

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

Forward Swindon Limited – Statement of Accounts

Audit Committee

Date: 5th November 2013

Legal and Human Rights Implications

- 5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2011. 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

Risk Management

- 5.6 Not applicable

6. Consultees

- 6.1 The Board Director Resources (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: Financial Statement for year ending 31st March 2013

Report of the Directors and
Financial Statements
for the Year Ended 31 March 2013
for
Forward Swindon Limited

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for the Year Ended 31 March 2013

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Forward Swindon Limited

Company Information
for the Year Ended 31 March 2013

DIRECTORS:

G L Jones
T Cumpstey
R Bailey
J Lockhart
M Beard
Ms J Harris

SECRETARY:

Mrs A S Ashdown

REGISTERED OFFICE:

Wiltshire Court
Farnsby Street
Swindon
SN1 5AH

REGISTERED NUMBER:

07193289 (England and Wales)

AUDITORS:

Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Report of the Directors
for the Year Ended 31 March 2013

The directors present their report with the financial statements of the company for the year ended 31 March 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of project management and consultancy services on behalf of Swindon Borough Council and other entities.

REVIEW OF BUSINESS

2012-13 was a productive and successful year for Forward Swindon, consolidating three key strands of work and delivering against a range of detailed targets. The three key priorities were to bring new business into Swindon; to support existing companies; and regeneration. To boost these efforts, the Company appointed two specialist Directors to head up business support and inward investment.

The inward investment service and campaign have increased the volume of quality relocation enquiries threefold since the previous year, with a pipeline of prospects being managed constantly by the in-house team. They work closely with the business support team who focus on tackling barriers to business growth and expansion within Swindon. Companies who might be needing to consider consolidation either in Swindon or elsewhere receive early, appropriate, support. In the New Year, Forward Swindon set up a highly successful Task Force to respond to the job losses at Honda. We brought together all the relevant public sector services and other organisations in a co-ordinated effort to support the personnel affected into new employment.

In terms of regeneration, work to create Swindon's new business district (renamed Kimmerfields) started on site with the remodelling of the Whalebridge junction and the construction of a new car park and apartment block, both of which are reaching completion. Swindon's mainline station, which sees at least three million commuters and visitors each year, benefited from a major revamp of its forecourt which was completed in the autumn.

The regeneration work is now set within a strategic Masterplan for Swindon, which was developed through a process of wide scale public consultation and business engagement, managed by Forward Swindon. The Masterplan was agreed early in 2013, and the Council as Planning Authority will now use it to provide direction and guidance for future planning applications in Swindon town centre.

2013/14 is already shaping up to be as impactful and we look forward to another successful year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report.

G L Jones
T Cumpstey
R Bailey
J Lockhart
M Beard

Other changes in directors holding office are as follows:

G J Perkins - resigned 31 May 2012
Ms J Harris - appointed 17 January 2013

Report of the Directors
for the Year Ended 31 March 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
Mrs A S Ashdown - Secretary

Date: 02/10/13.....

Report of the Independent Auditors to the Members of
Forward Swindon Limited

We have audited the financial statements of Forward Swindon Limited for the year ended 31 March 2013 on pages five to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Report and the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors.



David Black (Senior Statutory Auditor)
for and on behalf of Monahans Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 14 October 2013

Income Statement
for the Year Ended 31 March 2013

	Notes	2013 £	2012 £
CONTINUING OPERATIONS			
Revenue	2	1,371,018	1,210,445
Cost of sales		<u>(674,312)</u>	<u>(576,362)</u>
GROSS PROFIT		696,706	634,083
Other operating income		27,000	261,998
Administrative expenses		<u>(838,576)</u>	<u>(914,388)</u>
OPERATING LOSS		(114,870)	(18,307)
Finance income	5	<u>13,191</u>	<u>10,068</u>
LOSS BEFORE INCOME TAX	6	(101,679)	(8,239)
Income tax	7	<u>(4,250)</u>	<u>(4,970)</u>
LOSS FOR THE YEAR		<u><u>(105,929)</u></u>	<u><u>(13,209)</u></u>

Statement of Comprehensive Income
for the Year Ended 31 March 2013

	2013 £	2012 £
LOSS FOR THE YEAR	(105,929)	(13,209)
OTHER COMPREHENSIVE INCOME		
Actuarial gains or losses on defined benefit pension scheme	86,000	(194,000)
Income tax relating to other comprehensive income	<u>(19,780)</u>	<u>48,500</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>66,220</u>	<u>(145,500)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(39,709)</u>	<u>(158,709)</u>

The notes form part of these financial statements

Forward Swindon Limited (Registered number: 07193289)

Statement of Financial Position
31 March 2013

	Notes	2013 £	2012 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	7,179	13,241
Deferred tax	15	<u>26,220</u>	<u>50,250</u>
		<u>33,399</u>	<u>63,491</u>
CURRENT ASSETS			
Trade and other receivables	9	240,603	457,694
Cash and cash equivalents	10	<u>1,526,767</u>	<u>1,177,556</u>
		<u>1,767,370</u>	<u>1,635,250</u>
TOTAL ASSETS		<u><u>1,800,769</u></u>	<u><u>1,698,741</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	1	1
Share premium	12	1,499,999	1,499,999
Other reserves	12	(160,280)	(226,500)
Retained earnings	12	<u>(95,245)</u>	<u>10,684</u>
TOTAL EQUITY		<u>1,244,475</u>	<u>1,284,184</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liability	16	<u>114,000</u>	<u>201,000</u>
CURRENT LIABILITIES			
Trade and other payables	13	<u>442,294</u>	<u>213,557</u>
TOTAL LIABILITIES		<u>556,294</u>	<u>414,557</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,800,769</u></u>	<u><u>1,698,741</u></u>

The financial statements were approved by the Board of Directors on 2nd OCTOBER 2013 and were signed on its behalf by:

.....
G L Jones - Director

The notes form part of these financial statements

Forward Swindon Limited (Registered number: 07193289)

Statement of Changes in Equity
for the Year Ended 31 March 2013

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
Balance at 1 April 2011	1	23,893	1,499,999	(81,000)	1,442,893
Changes in equity					
Total comprehensive income	-	(13,209)	-	(145,500)	(158,709)
Balance at 31 March 2012	1	10,684	1,499,999	(226,500)	1,284,184
Changes in equity					
Total comprehensive income	-	(105,929)	-	66,220	(39,709)
Balance at 31 March 2013	1	(95,245)	1,499,999	(160,280)	1,244,475

The notes form part of these financial statements

Statement of Cash Flows
for the Year Ended 31 March 2013

		2013 £	2012 £
Cash flows from operating activities			
Cash generated from operations	1	<u>336,020</u>	<u>(279,359)</u>
Net cash from operating activities		<u>336,020</u>	<u>(279,359)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(3,964)
Interest received		<u>13,191</u>	<u>10,068</u>
Net cash from investing activities		<u>13,191</u>	<u>6,104</u>
Increase/(decrease) in cash and cash equivalents		<u>349,211</u>	<u>(273,255)</u>
Cash and cash equivalents at beginning of year	2	<u>1,177,556</u>	<u>1,450,811</u>
Cash and cash equivalents at end of year	2	<u><u>1,526,767</u></u>	<u><u>1,177,556</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2013

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2013	2012
	£	£
Loss before income tax	(101,679)	(8,239)
Depreciation charges	6,062	6,740
Finance income	<u>(13,191)</u>	<u>(10,068)</u>
	(108,808)	(11,567)
Decrease/(increase) in trade and other receivables	217,091	(307,663)
Increase in trade and other payables	228,737	56,871
Difference between pension charge and cash contributions	<u>(1,000)</u>	<u>(17,000)</u>
Cash generated from operations	<u>336,020</u>	<u>(279,359)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts:

Year ended 31 March 2013

	31.3.13	1.4.12
	£	£
Cash and cash equivalents	<u>1,526,767</u>	<u>1,177,556</u>

Year ended 31 March 2012

	31.3.12	1.4.11
	£	£
Cash and cash equivalents	<u>1,177,556</u>	<u>1,450,811</u>

Notes to the Financial Statements
for the Year Ended 31 March 2013

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Forward Swindon Limited is domiciled in the UK. These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the company can continue in operational existence for the foreseeable future. The Directors are of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future, and continue to adopt the going concern basis in preparing its financial statements.

These financial statements are presented in British Pounds (GBP), which is the company's functional and presentational currency.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge, the actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below

Pension benefits

The costs of defined benefit pension schemes are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these schemes, such estimates are subject to significant uncertainty. Further details are given in the financial statements.

Project management contracts

Where the outcome of project management contracts can be estimated with reasonable accuracy revenue and costs are recognised by reference to stage of completion. Where the outcome of these contracts cannot be estimated reliably revenue and costs are recognised to the extent that management believe that after considering all relevant factors recovery or payment is probable. Provision is made that represents managements best estimates to settle assets or obligations at the statement of financial position date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

1. ACCOUNTING POLICIES - continued

Property, plant and equipment

All property, plant and equipment is stated at historic cost less accumulated depreciation. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

All property, plant and equipment are depreciated over their useful lives at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. Depreciation rates used are as follows:

Fixtures and fittings	- 25% on a reducing balance basis
Computer equipment	- 33% on a straight line basis

Useful lives and residual values are reviewed annually, and adjusted if appropriate, at the end of each reporting period. Residual values are based on the estimated amount which would be currently obtainable from disposal of the asset net of disposal costs if the asset were already of the age and condition expected at the end of its useful life.

The carrying values of plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Repairs and maintenance are charged to the income statement during the financial position in which it was incurred.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

Financial assets

Financial assets are cash or contractual right to receive cash or another financial asset from another entity or to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the entity. In addition, contracts that result in another entity delivering a variable number of its own equity instruments are financial assets. The Company assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Financial liabilities

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable economic conditions. In addition contracts which result in the Company delivering a variable number of its own equity instruments are financial liabilities. Equity instruments containing such obligations are classified as financial liabilities.

Trade and other payables

Trade payables are recognised and carried at their original invoiced value. Payables are not discounted to take into account the time value of money, as the effect is immaterial.

Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

1. ACCOUNTING POLICIES - continued

Taxation

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognised in the income statement, except to the extent that it relates to items directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted at the reporting date, and including any adjustment to tax payable or receivable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Pensions and other post-retirement benefits

The company operates two pension schemes. In respect of all those employees who transferred to the company from previous employment with Forward Swindon Limited who were previously employed by Swindon Borough Council, the company participates in the Local Government Pension Scheme, which is a contributory pension scheme to provide retirement benefits based on final emoluments to all employees.

A Group Personal Pension Scheme is available to all staff who are not eligible to join the above scheme. This is a defined contribution scheme and the company's contributions to the scheme are charged to the income statement in the period which they become payable.

A defined benefit scheme is a post-employment benefit scheme other than a defined contribution scheme. The Company's net obligation in respect of the defined benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to its present value. Any unrecognised past service costs and the fair value of any scheme assets are deducted.

The calculation is performed annually by a qualified actuary.

In respect of the defined benefit scheme above, the full service cost of pension provision for the period, together with the cost of any benefits relating to past service is charged to the income statement. The expected increase in the present value of scheme liabilities and the long-term expected return on assets based on the market value of the scheme assets at the start of the period, are included in the income statement under 'other finance costs'. The difference between the market value of the assets of the scheme and the present value of accrued pension liabilities is shown as an asset or liability on the statement of financial position. Any difference between the expected return on assets and that achieved is recognised in the statement of comprehensive income together with the difference from experience or assumption changes.

The company has applied the option in IAS 19 to recognised actuarial gains and losses in full in the statement of comprehensive income and expense in the period in which they occur

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

1. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes. All revenue is derived from the United Kingdom. No revenue was derived from exchanges of goods or services.

Project management

Project management revenue is primarily received from Swindon Borough Council and comprises amounts receivable from work invoiced, net of any rebates and sales tax. The income is recognised as the services are provided and adjusted for work not yet complete.

Given the not for profit aims of the company's activities the directors are of the opinion that any income invoiced in excess of costs at a point in time should be deferred until future periods.

Government grants

Government grants relating to property, plant and equipment are treated as deferred income within liabilities and are recognised in the statement of comprehensive income in other operating income on a systematic basis over the useful life of the asset. Other grants are credited to the income statement as the related expenditure is expensed. Any other forms of Government assistance are disclosed in the notes to the financial statements. Unfulfilled conditions and any other contingencies relating to government assistance are disclosed in the notes to the financial statements.

Finance income

Finance income revenue is recognised as interest accrued using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to its net carrying value.

New standards and interpretations not applied

The IASB and IFRIC have issued the following standards and interpretations which are relevant to the company with an effective date after the date of these financial statements.

International Accounting Standards (IAS/IFRSs)	Effective date
	*
IFRS 9 Financial instruments	1 January 2015
IFRS 13 Fair value measurement	1 January 2013
IFRS 19 Employee Benefits	1 January 2013

* The effective dates stated here are those given in the original IASB/IFRIC standards and interpretations. The effective dates relates to annual periods beginning on or after the given date.

IFRS 9 is part of the IASB's wider project to replace IAS 39 and retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The Company is currently assessing its impact on the financial statements, although it is not expected to be material.

The Directors do not anticipate that the adoption of the remaining standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

As the Company has elected to prepare its financial statements in accordance with IFRS as adopted by the European Union, the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Company's decision to early adopt standards.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

2. SEGMENTAL REPORTING

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the the company that are regularly reviewed by the board of directors, to allocate resources to the segments and to assess their performance.

During the current and prior year the company operated in one business and geographical segment, consultancy services in the Swindon area.

3. EMPLOYEES AND DIRECTORS

	2013	2012
	£	£
Wages and salaries	559,970	615,152
Social security costs	62,622	63,295
Other pension costs	38,495	38,742
	<u>661,087</u>	<u>717,189</u>

The average monthly number of employees during the year was as follows:

	2013	2012
Administrative	1	2
Finance	1	1
Town Centre Development	2	2
Business Development	2	2
Marketing	2	2
Cultural Development	-	1
CEO	1	1
Inward Investment	2	-
	<u>11</u>	<u>11</u>

	2013	2012
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

4. EXCEPTIONAL ITEMS

On 1 December 2010, a transfer of undertakings agreement was signed to transfer the activities of both The New Swindon Company Limited (TNSC) and Swindon Cultural Partnership Limited (SCP) to Forward Swindon Limited. On 9 February 2012 the activities, assets and liabilities of TNSC and SCP were transferred to the company at net book value.

As part of the agreement the resulting balance owed to TNSC and SCP as shown below have been written off as an exceptional item within other operating income in the income and expenditure account.

	2013	2012
	£	£
The New Swindon Company Limited	27,000	207,705
Swindon Cultural Partnership Limited	<u>-</u>	<u>54,293</u>
	<u>27,000</u>	<u>261,998</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

5. NET FINANCE INCOME

	2013	2012
	£	£
Finance income:		
Deposit account interest	13,191	10,068

6. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	2013	2012
	£	£
Depreciation - owned assets	6,062	6,740
Auditors' remuneration	6,205	5,800

7. INCOME TAX

Analysis of tax expense

	2013	2012
	£	£
Deferred tax:		
Deferred tax on pension payments	230	4,250
Deferred tax on pension payments - movement in tax rate	<u>4,020</u>	<u>720</u>
Total deferred tax	<u>4,250</u>	<u>4,970</u>
Total tax expense in income statement	<u>4,250</u>	<u>4,970</u>

Tax effects relating to effects of other comprehensive income

	2013	
	Gross £	Tax £
Actuarial gains or losses on defined benefit pension scheme	86,000	(19,780)
	<u>86,000</u>	<u>(19,780)</u>
	2012	
	Gross £	Tax £
Actuarial gains or losses on defined benefit pension scheme	(194,000)	48,500
	<u>(194,000)</u>	<u>48,500</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

8. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2012			
and 31 March 2013	<u>13,530</u>	<u>12,085</u>	<u>25,615</u>
DEPRECIATION			
At 1 April 2012	5,394	6,980	12,374
Charge for year	<u>2,034</u>	<u>4,028</u>	<u>6,062</u>
At 31 March 2013	<u>7,428</u>	<u>11,008</u>	<u>18,436</u>
NET BOOK VALUE			
At 31 March 2013	<u>6,102</u>	<u>1,077</u>	<u>7,179</u>
At 31 March 2012	<u>8,136</u>	<u>5,105</u>	<u>13,241</u>

9. TRADE AND OTHER RECEIVABLES

	2013 £	2012 £
Current:		
Trade receivables	175,259	158,584
Other receivables	-	2,875
VAT	9,815	-
Prepayments and accrued income	<u>55,529</u>	<u>296,235</u>
	<u>240,603</u>	<u>457,694</u>

10. CASH AND CASH EQUIVALENTS

	2013 £	2012 £
Cash in hand	27	114
Bank accounts	<u>1,526,740</u>	<u>1,177,442</u>
	<u>1,526,767</u>	<u>1,177,556</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

12. RESERVES

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 April 2012	10,684	1,499,999	(226,500)	1,284,183
Deficit for the year	(105,929)	-	-	(105,929)
Actuarial gain/(loss) on pension scheme	19,780	-	66,220	86,000
Movement on deferred tax	<u>(19,780)</u>	<u>-</u>	<u>-</u>	<u>(19,780)</u>
At 31 March 2013	<u>(95,245)</u>	<u>1,499,999</u>	<u>(160,280)</u>	<u>1,244,474</u>
Retained earnings excluding pension liability	18,755			
Pension deficit	<u>(114,000)</u>			
Retained earnings	<u>(95,245)</u>			

Other reserves

During the year ended 31 March 2011 Forward Swindon Limited took on a number of members of staff from the New Swindon Company Limited. The company assumed the associated defined benefit pension scheme obligation. Due to the capital nature of this transaction the directors felt it most appropriate to set up a separate reserve for this amount and allocate any subsequent actuarial gains or losses against this as a reserves movement.

13. TRADE AND OTHER PAYABLES

	2013 £	2012 £
Current:		
Trade payables	95,712	54,984
Accruals and deferred income	346,582	137,530
VAT	<u>-</u>	<u>21,043</u>
	<u>442,294</u>	<u>213,557</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

14. FINANCIAL INSTRUMENTS

The Company's principal financial instrument is cash. The principal purpose of the financial instruments is to provide finance for the Company's operations. The Company has various other financial instruments such as trade receivables and trade payables that arise directly from its operations.

Interest rate risk

As the company has no significant interest-bearing assets, other than cash and cash equivalents, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Liquidity risk

The company is primarily financed by cash.

Cash flow forecasts are produced to assist management in identifying liquidity requirements and are stress tested for possible scenarios. Cash balances are invested such that they are readily available to settle short-term liabilities or fund capital additions.

Credit risk

There are no significant concentrations of credit risk with the Company. The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the statement of financial position date.

Trade and other receivables comprise a number of individual amounts due from customers. Due to the nature of the customers there are no concerns about their ability to pay.

Fair value of financial assets and liabilities

There is no difference between the fair value and the book value of the financial assets and liabilities at the year end.

15. DEFERRED TAX

	2013	2012
	£	£
Balance at 1 April	(50,250)	(6,720)
Charged to income statement	4,250	4,970
Charged to other comprehensive income	19,780	(48,500)
Balance at 31 March	<u>(26,220)</u>	<u>(50,250)</u>

The deferred tax asset is summarised as follows;

	2013	2012
	£	£
Pension Scheme	<u>26,220</u>	<u>50,250</u>

A deferred tax asset resulting from tax losses amounting to £34,863 has not been provided due to the uncertainty of the utilisation of these losses against future taxable profits. A tax rate of 20% has been used.

16. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit pension scheme in respect of those employees who transferred to the company from the New Swindon Company Limited and Swindon Borough Council, the company participates in the Local Government Pension Scheme for these individuals..

The company's best estimate of its likely contributions to the defined benefit scheme in the year commencing 1 April 2013 is £28,000.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the statement of financial position are as follows:

	Defined benefit pension scheme	
	2013	2012
	£	£
Present value of funded obligations	(1,075,000)	(946,000)
Fair value of scheme assets	<u>961,000</u>	<u>745,000</u>
	(114,000)	(201,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(114,000)</u>	<u>(201,000)</u>
Net liability	<u>(114,000)</u>	<u>(201,000)</u>

The amounts recognised in the income statement are as follows:

	Defined benefit pension scheme	
	2013	2012
	£	£
Current service cost	29,000	31,000
Interest cost	42,000	37,000
Expected return	(45,000)	(44,000)
Past service cost	<u>-</u>	<u>-</u>
	<u>26,000</u>	<u>24,000</u>
Actual return on scheme assets	<u>119,000</u>	<u>(10,000)</u>

The current service cost, past service cost, interest cost and expected return on scheme assets are included within administrative expenses.

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension scheme	
	2013	2012
	£	£
Opening defined benefit obligation	946,000	580,000
Current service cost	29,000	31,000
Contributions by scheme participants	16,000	27,000
Interest cost	42,000	37,000
Estimated benefits paid net of transfers in and including unfunded	54,000	131,000
Actuarial losses/(gains)	<u>(12,000)</u>	<u>140,000</u>
	<u>1,075,000</u>	<u>946,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension scheme	
	2013	2012
	£	£
Opening fair value of scheme assets	745,000	556,000
Contributions by employer	27,000	41,000
Contributions by scheme participants	16,000	27,000
Estimated benefits paid net of transfers in and including unfunded	54,000	131,000
Expected return	45,000	44,000
Actuarial gains/(losses)	74,000	(54,000)
	<u>961,000</u>	<u>745,000</u>

The amounts recognised in the statement of comprehensive income are as follows:

	Defined benefit pension scheme	
	2013	2012
	£	£
Actuarial gains/(losses)	86,000	(194,000)
Deferred tax on actuarial gain / loss	(19,780)	48,500
	<u>66,220</u>	<u>(145,500)</u>
Cumulative amount of actuarial gains/(losses)	<u>269,000</u>	<u>183,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension scheme	
	2013	2012
Equities	77.40%	83.00%
Bonds	9.20%	8.00%
Property	5.30%	4.00%
Cash	5.20%	5.00%
Other	2.90%	-
	<u>100.00%</u>	<u>100.00%</u>

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2013	2012
Discount rate	4.40%	4.60%
Expected return on scheme assets	7.00%	5.70%
Future salary increases	4.40%	4.70%
Future pension increases	2.50%	2.50%
RPI Increases	3.40%	3.30%
CPI Increases	2.50%	2.50%

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

To assess the value of the Employer's liabilities as at 31 March 2013, the actuaries have rolled forward the value of the Employer's liabilities calculated for the Triennial valuation as 31 March 2010 allowing for the different financial assumptions required under IAS19. A similar roll-forward approach was taken for the report as at 31 March 2012.

The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them. These cashflows include pensions currently being paid to members of the Scheme as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated liability as at 31 March 2013 without completing a full valuation. However, the actuaries are satisfied that the approach of rolling forward the previous valuation data to 31 March 2013 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

To calculate the asset share the actuaries have rolled forward the assets allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the company and its employees.

Valuation Method

As required under IAS19 the projected unit method of valuation to calculate the service cost.

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 April 2012 for the year to 31 March 2013). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

Sensitivity Analysis

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption		£000's Increase by 0.5%	£000's Current rate (4.4%)	£000's Decrease by 0.5%
Discount rate	Present value of obligation	990	1,075	1,173
	Projected service cost	32	37	41
Rate of general increase in salaries	Present value of obligation	1,098	1,075	1,062
	Projected service cost	38	37	35
Rate of increase to pensions in payments and deferred pensions assumptions	Present value of obligation	1,158	1,075	1,003
	Projected service cost	40	37	33

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Post retirement mortality assumption	Present value of obligation	1,093	1,075	1,057
	Projected service cost	38	37	35

Amounts for the current and previous four periods are as follows:

	2013 £	2012 £	2011 £	2010 £	2009 £
Defined benefit pension scheme					
Defined benefit obligation	(1,075,000)	(946,000)	(580,000)	(1,172,000)	(588,000)
Fair value of scheme assets	961,000	745,000	556,000	714,000	434,000
Deficit	(114,000)	(201,000)	(24,000)	(458,000)	(154,000)
Experience adjustments on scheme liabilities	12,000	-	532,000	-	-
Experience adjustments on scheme assets	74,000	(54,000)	(228,000)	153,000	(107,000)

Guarantee

As part of the conditions for entry of Forward Swindon Limited into the Local Government Pension Scheme Swindon Borough Council agreed to act as guarantor in the event that Forward Swindon Limited fails to comply with any terms of the Admission Agreement. In default circumstances Swindon Borough Council will assume all obligations and liabilities of Forward Swindon Limited including indemnifying the pension scheme administrator for legal and other costs associated with enforcement of the guarantee.

17. ULTIMATE PARENT COMPANY

The directors regard the ultimate parent undertaking to be Swindon Borough Council.

18. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in IAS24 "Related party disclosures" from disclosing balances and transactions with its ultimate controlling party, on the basis that it is included in the consolidated financial statements of Swindon Borough Council. Copies of the consolidated financial statements of Swindon Borough Council can be obtained from www.swindon.gov.uk.

Head of Internal Audit Update

Audit Committee

Date: 5th November 2013

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 September 2013, 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

Reports Issued

- 3.1 Details of Internal Audit reports finalised since the September 2013 Audit Committee are set out in Appendix 1. The appendix sets out the key audit recommendations made along with the overall risk assessment to the Council.

Progress on completion of Internal Audit Plan 2013/14

- 3.2 The progress to date against the 2013/14 audit plan is set out in Appendix 2.
- 3.3 To date, 61% of the number of audits in the Annual Internal Audit plan, have been completed against a target of 54%.
- 3.4 The results of our Customer Feedback forms to date shown that 88.89% of customers rating the audit service as good or excellent with the remaining 11.11% scoring good – average.

Risk Management

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: 5th November 2013

3.5 The Internal Audit section continues to provide the risk management function whilst the Council's Risk Manager is off on maternity leave. However, this cover is due to come to an end at the end of December 2013.

3.6 A report on progress made and the current position regarding risk management is on the agenda for this month's meeting of the Audit Committee.

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 2011. 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 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 Not applicable

6. Consultees

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

Head of Internal Audit Update

Audit Committee

Date: 5th November 2013

- 6.2 All service managers, Directors, Group Directors and Members who have contributed to individual audits during the course of 2013/14.

7. Background Papers

- 7.1 None

8. Appendices

Appendix 1 – Internal Audit Reports finalised since the September 2013 Audit Committee.

Appendix 2 – Progress against the Internal Audit plan 2013/14

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Audit Title:	Golf Facilities Follow-Up				Date of Report:		October 2013
Number of 'High Priority' Recommendations:	4	Current Audit Opinion:	2	Previous Audit Opinion:	3	Overall Evaluation (Risk):	Moderate
<p><u>Key Recommendations</u></p> <p>The key recommendations made as a result of the review are:</p> <ul style="list-style-type: none"> A review should be conducted on the suppliers with high expenditure; this should be performed on a regular basis e.g. every 2 or 3 years, to ensure that they still provide the Council with the best value. All purchases of supplies above £5k should be carried out through competitive tendering and adherence to Contract Standing Orders, the Form C process and EU Procurement requirements, if applicable. Supporting documentation should be retained in order to evidence this. The budget year end projections should be reviewed and adjusted as necessary to give an accurate projection of the position at year end, based upon the performance to date. The use of the Clarity system for producing the management information needed to perform stock counts and sales reconciliations should be reviewed. If the system is found not to be capable of producing this information, or the decision is made not to utilise it in this way, a local method for performing these reconciliations should be introduced at Broome. The use of the Clarity system for the golf shop should be reviewed to determine whether the current processes will continue, or whether it will need to be managed in house. Management information produced for the catering provision should be shared with the Budget Manager. 							

Audit Title:	Highways Asset Management				Date of Report:		October 2013
Number of 'High Priority' Recommendations:	3	Current Audit Opinion:	3	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):	Of concern
<p><u>Key Recommendations</u></p> <p>The key recommendations made as a result of the review are:</p> <ul style="list-style-type: none"> Highways and Transport and StreetSmart should agree a way forward and implement an appropriate governance arrangement. This should be encapsulated in a service level agreement. Guidance should be provided on the training and education needed by Highway Inspectors. Consideration to be given for Inspectors to take the City and Guilds 6033 qualification (Highways Inspection and Monitoring) That the non-Highways structure assets identified as not being appropriately managed, are added to the Highways asset register. This is to ensure they are regularly surveyed. The results of the surveys should be forwarded to the appropriate service area to take any necessary decisions over future action required, based on the results/recommendations arising from the survey. 							

Audit Title:		Troubled Families		Date of Audit:		October 2013
Number of High Priority Recommendations:		5	Current Audit Opinion:	3	Previous Audit Opinion:	n/a
					Overall Evaluation (Risk):	Of concern

Key Findings and Recommendations

The Council is now into the second year of the three year programme to change the way it works with Troubled Families and improve their long term outcomes. The Government have set the Council a target to identify, work with and turn around 370 families by 2014/15. To incentivise the Council, the Government have made available £1.48m comprised of attachment fee and performance based reward funding to pump prime the work the Council and its partners will do with these families. This review has identified a number of issues fundamental to the delivery of the Troubled Families programme that are summarised below.

- In order to meet the target figures of 370 families, it will be necessary to work with a considerably higher number of families than the target figure. As at May 2013, only 153 families were identified with 112 of these being worked with. This leaves a deficit of 162 families that still need to be identified as meeting the criteria by the end of 2013/14 and then successfully worked with in order to receive the budgeted attachment fee income.
- The data originally being used at the time of the audit to identify families eligible for inclusion in the Troubled Families programme in the first year had not been refreshed for over 6 months. This refresh is necessary in order to identify the direction of travel in meeting the targets for those families being supported under the programme. There is a need for more cooperation from the DWP and Academy schools in order to ensure data is up-to-date.
- The first claim submitted for two families was not audited before submission. All future claims need to be provided to Internal Audit in sufficient time to allow them to be audited fully before submission to the DCLG.
- There was no formal process for monitoring the outcomes of families in the programme. This is necessary to ensure that data is recorded in a standard way to ensure consistency in the way successful outcomes are reported and claimed for. The Troubled Families Unit have confirmed that employment claims can be verified through the lead professionals e.g. social workers. Work on information sharing with the Police and schools and the Capita One system to allow Lead Professionals to record progress being made based on local knowledge needs to be completed to ensure family progress can be monitored and verified against source data before each claim.
- No budgets had been set to identify potential reward monies that could be received in respect of Troubled Families who met their targets. The value of the performance reward monies received should be monitored against the total potential reward available under the programme of £532k. Work also needs to be undertaken to quantify the impact the Troubled Families programme has had on cost avoidance for the Council.

Audit Title:	Security Breach Policy				Date of Report:	
Number of 'High Priority' Recommendations:	Current Audit Opinion:	Previous Audit Opinion:	n/a	n/a	Overall Evaluation (Risk):	n/a
In order to comply with the requirements of PSN the Council needs to have an established Security Breach Policy. Internal Audit completed a piece of consultancy work identifying best practice in this area and submitted a draft policy for the Head of ICT Strategy to consider.						

Audit Title:	Change Programme: Overall Governance				Date of Report:	
Number of 'High Priority' Recommendations:	Current Audit Opinion:	Previous Audit Opinion:	n/a	n/a	Overall Evaluation (Risk):	n/a
<p>Internal Audit was commissioned to carry out a consultancy review of the overall governance arrangements for the corporate change programmes.</p> <p>A summary of initial areas for discussion was provided to Corporate Board members for their away-day session of 16th September. Following this session, the Auditor met with the Programme Director: Stronger Together and Head of Localities; and the Head of Finance and Strategic Projects, to discuss the initial audit findings and the key areas of focus for the change programmes over the short to medium term.</p> <p>The Auditor has also produced a programme management checklist that can be applied to the programmes on an on-going basis, to help inform the Programme Quality Assurance process and ensure appropriate management arrangements are in place.</p>						

Audit Title:	Investigations				Date of Report:	
Number of 'High Priority' Recommendations:	Current Audit Opinion:	Previous Audit Opinion:	n/a	n/a	Overall Evaluation (Risk):	n/a
<p>The following investigations have been completed since the last Committee meeting:</p> <ul style="list-style-type: none"> Inv. 13/14 – 1: Misuse of procurement card Inv. 13/14 – 3: Change of bank account details Inv. 13/14 – 7: Duplicate payments WB 12/13 – 6: Favourable treatment to a user of the Council's facilities 						

Audit Title:	Information Governance Policy				Date of Report:	
Number of 'High Priority' Recommendations:	n/a	Current Audit Opinion:	n/a	Previous Audit Opinion:	n/a	Overall Evaluation (Risk): n/a
The Head of ICT requested Internal Audit to review a draft policy on Information Governance and identify any areas where it did not comply with legislation, PSN requirements or general best practice						

Audit Title:	Cash handling – Vulnerable adults				Date of Report:	
Number of 'High Priority' Recommendations:	0	Current Audit Opinion:	3	Previous Audit Opinion:	4	Overall Evaluation (Risk): Moderate
In accordance with best practice a follow-up audit review was undertaken. The auditor concluded that all the high priority and the majority of the medium priority recommendations had been implemented.						

Audit Title:	Museum Storage: follow-up				Date of Report:	
Number of 'High Priority' Recommendations:	3	Current Audit Opinion:	3	Previous Audit Opinion:	4	Overall Evaluation (Risk): Of Concern
<p>In accordance with best practice a follow-up audit review was undertaken. A full copy of the report is included in this meeting's agenda. The overall audit opinion has improved from 'significant' risk to 'of concern'. The key outstanding recommendations are as follows:</p> <ul style="list-style-type: none"> It was recommended in the first audit report that a review of physical security at the Museum and Art Gallery be carried out by Wiltshire Police. At the time of the audit the review has not taken place or been scheduled. It was also recommended that the risks associated with the storage of historical artefacts, works of art and archaeological finds, along with mitigating actions, resources required and their cost should be recorded in the appropriate risk register. This has yet to be implemented. In June 2012 a review of the physical security at STEAM was carried out by Wiltshire Police. A report was produced that contained a number of items for consideration. It was recommended in the previous audit that an action plan for the implementation of the recommendations be prepared. A review of what recommendations can be implemented has not been completed. 						

Audit Title:		NFI matches				Date of Report:		October 2013
Number of 'High Priority' Recommendations:		n/a	Current Audit Opinion:	n/a	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):	n/a
<p>The following NFI matches been completed since the last Committee meeting:</p> <ul style="list-style-type: none"> • Overpaid VAT – checks to possible VAT overpayments were made. No evidence of overpaid VAT was found • Insurance – matches to identify potential serial insurance claimants found that the Council had not had any of this type of fraudulent claim 								

Audit Title:		Duplicate Payments				Date of Report:		October 2013
Number of 'High Priority' Recommendations:		n/a	Current Audit Opinion:	n/a	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):	n/a
<p>Internal Audit carried out a data matching exercise on three years' worth of data from the Council's Oracle database to identify potential duplicate payments. The review identified £22,274 worth of duplicate payments of which £13,100 has already now been recovered from suppliers.</p> <p>Internal Audit plan to carry out this data matching on a quarterly basis.</p>								

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	April	May	June	July	August	September	October	November	December	January	February	March
Managed Audits Completed												
(total 11)												
Managed Month Total	0	0	0	0	0	0	0	0	0	0	0	0
Managed Cumulative Total	0	0	0	0	0	0	0	0	0	0	0	0
Managed Target %	0	0	0	0	0	2	3	4	5	7	9	11
Managed Achieved %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Total Non Managed Audits Completed - Draft

	April	May	June	July	August	September	October	November	December	January	February	March
Other Audits Issued	Oasis Transfer	Financial Reg's	Annual Governance Statement	Employment of Consultants	St Luke's School	Security Breach Policy	Inv 13/14-3					
Target: 86	Highways Project Management	Common Assessment Framework	Compliance with CIPFA Statement on role of s.151	Troubled Families	Shaw Ridge School	Change Programme Governance	Inv 13/14-1					
	Stronger Together	Bishopstone School	WB 13/14-1	Chiseldon School	PSN: Code of Connection	Corporate VFM	Inv 13/14-7					
	Nova Hread		WB 12/13-3	Inv 13/14-1	Car Park Income	VFM - Life	WB 12/13-6					
	One Swindon		Change Programme: Adults	Contract Carers	Carbon Reduction: Plans for future reductions	VFM - Oasis	Housing Capital Programme					
	SCS 24/7 working			SCS Housing Voids	NFI: HB Taxis	W/Blowing and Disciplinary Policy Review	Information Governance					
	SCS Licence Agreement			Highways Asset Management	NFI: Concessionary travel: Deceased	Golf Facilities	Carbon Reduction: future plans					
				Inv 12/13-3	NFI: HB Payroll	Social Care Transport	Cash Handling; Vulnerable adults follow-up					
				Payroll System Control & Integrity: follow up	Protective Monitoring Strategy	StreetSmart Contract Arrangements	Museum Storage follow-up					
				WB 13/14-2	GPG13 Compliance (ICT Security)		NFI: Overpaid VAT					
				Duplicate Payments Creditors	NFI: Blue Badges: Deceased		NFI: Insurance					
				Carbon Reduction Commitment			Public Health and Emergency Planning integration					
Non-managed total for month	7	3	5	12	11	9	12	0	0	0	0	0
Cummulative non managed audits	7	10	15	27	38	47	59	59	59	59	59	59

	April	May	June	July	August	September	October	November	December	January	February	March
Overall Month Total Audits	7	3	5	12	11	9	12	0	0	0	0	0
Overall Total Audits	7	10	15	27	38	47	59	59	59	59	59	59
Target Completion of Plan %	5	10	15	28	36	43	54	62	71	79	86	94
Audit Plan Achievement %	7%	10%	15%	28%	39%	48%	61%	61%	61%	61%	61%	61%

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