

Review of SDC Savings Forecast – 2012/13 - Issued: 20 August 2012

Opinion: Good

The purpose of the review was to provide assurance on the reliability of the processes in place to forecast key assumptions within the Council's long-term financial strategy. The review did not reach any conclusion on the numerical value of any predicted forecasts, but rather on the procedures giving rise to the predictions made.

To this effect, the following key risks and associated controls were examined:

- 1) Risk that the Council may not comply with relevant legislation, organisational policy (for example the Treasury Management Policy) and good practice.
- 2) Risk that the Council may not identify all relevant sources of information to base its assumptions on.
- 3) Risk that the Council may not respond timely or effectively to changes within the environment which may render its existing assumptions ineffective.
- 4) Risk that there may not be effective communication between departments, to communicate changes made in the plan and ensure they are reflected within departmental operational or service plans.
- 5) Risk that the assumptions made may not be subject to regular formal scrutiny or review to assess the effect of changes in the internal or external situation.
- 6) Risk that fraud and corruption may be undetected.
- 7) Risk that opportunities to demonstrate efficiency or value for money may not be realised.
- 8) Risk that risk assessments are not adequately undertaken and risks not adequately managed.

Audit testing results indicated that controls were fully met in all eight of the aspects examined.

In view of the above, the audit opinion was therefore 'good'. This meant that controls are in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. Compliance with the risk management process is considered to be good and no significant or material errors or omissions were found.

One recommendation was agreed with Management to further enhance an existing control mechanism. This relates to risk 5.

- All assumptions to the ten-year budget should be reviewed on a six-monthly basis in order to ensure that all changes which could affect the budget are addressed. Any changes in the assumptions should be reported to the Financial Advisory Group.

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Members will be advised of the progress in implementing this recommendation in due course.

Review of SDC Paralympics 2012/1 - Issued: 19 July 2012

Opinion: Good

The purpose of this audit was to provide assurance on the effectiveness of the arrangements in place to deliver the Council's responsibilities in regard to the Paralympics.

To this effect, the following key risks and associated controls were examined:

1. Risk that the Council may not comply with relevant legislation, policies or good practice.
2. Risk that contractual arrangements with The London Organising Committee of the Olympic and Paralympic Games (LOCOG) may not be met.
3. Risk that key responsibilities and objectives may not be identified or addressed
4. Risk that local and community impact may not be addressed.
5. Risk that arrangements in place to manage the event may not be adequate or effective.
6. Risk that arrangements in place to address crowd management may not be adequate or effective.
7. Risk that transport and travel arrangements may not be adequate or effective
8. Risk that fraud and corruption may be undetected.
9. Opportunities to achieve or demonstrate efficiency or value for money may not be maximised.
10. Operational and event risk assessments may not be undertaken and risks not adequately managed

Audit testing results indicated that controls were fully met in all ten of the aspects examined.

The audit opinion was 'good'. This meant that controls are in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. Compliance with the risk management process is considered to be good and no significant or material errors or omissions were found.

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Whilst all the controls examined within this review were met, the following three recommendations were agreed with management in pursuance of best practice.

- The Equality Impact Assessment should be reviewed to ensure that it contains only relevant information and then the Event Plan should be corrected before it is finalised.
- All spectators eligible for the shuttle buses should be identified and clarified. Service providers should be made aware of the eligible passengers.
- Once the allocation and distribution of complementary tickets is agreed, it should be recorded in order to demonstrate transparency and fairness

Members will be advised of the progress in implementing this recommendation in due course.

Contract Management Arrangements – 2012/13 2012

Issued: 22 August

Opinion: Satisfactory

The purpose of the review was to provide assurance to Management that contracts entered into over the last 12 months, complied with Council policies and procedures, including statutory requirements, and that there are robust arrangements in place to manage performance and delivery.

To this effect, the following key risks and associated controls were examined:

- 1) Risk that the Council may not comply with relevant legislation, organisational policy (for example the Treasury Management Policy) and good practice.
- 2) Risk that contracts may not be delivered on time, within budget or of acceptable quality.
- 3) Risk that contract deliverables may not be achieved or agreements managed properly.
- 4) Risk of contract deliverables may not meet perceived needs and/or do not help to deliver corporate objectives.
- 5) Risk that fraud and corruption may be undetected.
- 6) Opportunities to achieve or demonstrate efficiency or value for money may not be maximised.
- 7) Pre-contract risk assessments may not be undertaken and risks not adequately managed

Audit testing results indicated that controls were fully met in six of the aspects examined, whilst one was partially met (risk 1).

The audit opinion was 'satisfactory'. This meant that controls are in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. Compliance with the risk

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management process is considered to be good and no significant or material errors or omissions were found.

One recommendation was agreed with Management to address the area where controls were partially met. This relates to risk 1.

- In relation to the annual audit assurance, the Strategic Procurement Group (SPG) through the Chair should ensure that appropriate steps are taken to remind Heads of Service and relevant Service Managers to send their forward procurement plans to the SPG on a timely basis, which could be used for monitoring purposes by the group.

At least on a quarterly basis the information provided is to be disseminated to officers responsible for updating procurement plans and the South East business portal. These officers have already been nominated by the group and are aware of their roles. This process will help to provide clarity regarding the Council's forward spend and also comply with Local Transparency requirements.

Members will be advised of the progress in implementing this recommendation in due course.