

<b>MEETING:</b>	Audit Committee
<b>DATE:</b>	Wednesday, 7 December 2016
<b>TIME:</b>	4.00 pm
<b>VENUE:</b>	Meeting Room 1, Barnsley Town Hall

## AGENDA

### Procedural/Administrative Items

1. Declarations of Pecuniary and Non-Pecuniary Interest
2. Minutes (*Pages 3 - 10*)

To receive the minutes of the meeting held on 23<sup>rd</sup> September, 2016.

3. Actions Arising From the Previous Meetings (*Pages 11 - 12*)

The Committee will receive a report detailing action taken and arising from previous meetings of the Committee.

### Items for Discussion/Decision

4. Internal Audit Quarterly Report - Quarter Ended 30th September, 2016 (*Pages 13 - 30*)

The Head of Internal Audit and Corporate Anti-Fraud will submit a report providing a comprehensive overview of the key activities and findings for the whole of the second quarter together with additional details of audits completed up to the end of October 2016.

5. Corporate Anti-Fraud Team Progress Report (*Pages 31 - 38*)

The Head of Internal Audit and Corporate Anti-Fraud will submit a progress report providing an update of the work of the Corporate Anti-Fraud Team from 1<sup>st</sup> April to 31<sup>st</sup> October, 2016.

6. Strategic Risk Register - Full Review October, 2016 (*Pages 39 - 66*)

The Director Finance, Property and Information Services will submit a report on a further review of the Strategic Risk Register undertaken in October 2016 and presenting the outcomes of that review.

7. Annual Governance Statement Actions Plan 2016/17 (*Pages 67 - 72*)

The Chief Executive, Director of Finance, Assets and Information Services and Director of Legal and Governance will submit a joint report providing the updated action plan relating to the issues identified following the Annual Governance Review 2015/16.

## Items for Information

8. External Audit - Annual Audit Letter 2015/16 (*Pages 73 - 80*)

The Council's External Auditor will submit the Annual Audit Letter 2015/16 and summarising the key findings from the audit, detailing the Value for Money Conclusion and risk areas, the Audit opinion, the financial statements audit, the Annual Governance Statement and the Whole of Government Accounts and giving details of the final fees for 2015/16.

9. External Audit Progress Report and Technical Update (*Pages 81 - 108*)

The Committee will receive the External Audit Progress Report and Technical Update.

10. Audit Committee Work Plan 2016/17 (*Pages 109 - 110*)

The Committee will receive the indicative Audit Committee Work Plan for 2016/17.

To: Chair and Members of Audit Committee:-

Councillors Richardson (Chair), Barnard, Clements and Lofts; together with Independent members Ms K Armitage, Ms D Brown, Mr S Gill, Mr P Johnson and Mr M Marks

Diana Terris, Chief Executive

All Executive Directors

Andrew Frodick, Director Legal and Governance

Frances Foster, Director Finance, Assets and Information Services

Rob Winter, Head of Internal Audit

Neil Copley, Service Director Finance

Ian Rooth, Head of Technical Services

Adrian Hunt, Risk Management Manager

Michael Potter, Service Director Organisation and Workforce Improvement

Julie Winham, Senior Audit Manager

Council Governance Unit – 3 copies

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Tuesday, 29 November 2016

<b>MEETING:</b>	Audit Committee
<b>DATE:</b>	Friday, 23 September 2016
<b>TIME:</b>	2.00 pm
<b>VENUE:</b>	Reception Room, Barnsley Town Hall

**Present** Councillors Richardson (Chair), Barnard and Lofts together with Independent Members - Ms K Armitage, Ms D Brown, Mr S Gill and Mr M Marks

## 23. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

There were no declarations of interest from Members in respect of items on the agenda.

## 24. MINUTES

The minutes of the meeting held on the 20<sup>th</sup> July, 2016 were taken as read and signed by the Chair as a correct record.

## 25. ACTIONS ARISING FROM THE PREVIOUS MEETINGS

The Committee received a report detailing actions taken and arising from previous meetings of the Committee.

**RESOLVED** that the report be noted and that, where appropriate, future reports detail progress of actions required and timescales for submission of future reports.

## 26. REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2015/16

The Committee considered a report of the External Auditor (KPMG) which had been submitted in accordance with International Standard on Auditing 260, the External Audit Governance Report 2015/16. Ms C Partridge and Ms L Wild representing KPMG presented the report which incorporated, amongst other things, the following:

- The Headline findings
- The proposed opinion and audit adjustments
- The key significant financial audit risks, area of audit focus and judgements
- The Accounts Production and audit process
- The current position with regard to the completion of the audit of the financial statements
- The Value for Money Conclusion including the specific Value for Money Risks

Appendices to the report provided the following:

- Key issues and recommendations
- The audit differences
- Materiality and the reporting of audit differences
- The Declaration of independence and objectivity

It was reported that it was anticipated that an unqualified audit opinion on the Authority's Financial Statements would be issued by 30<sup>th</sup> September, 2016 following

consideration by Council on the 29<sup>th</sup> September. It was also reported that the Annual Governance Statement complied with the guidance issued and was in line with the auditor's understanding of the Authority.

The audit had identified one material audit adjustment with a total value of £13.3m, however, whilst there was an impact on the net worth in year, there was no overall impact on the Authority's medium term financial plan as this was simply a reallocation of costs over a longer period. In addition, there was no impact on the Council Tax requirements for the Council. The appropriate adjustments had been made to the financial statements.

During the year KPMG had continued to review the risks to the financial statements on an ongoing basis. In January 2016 they had identified risks in relation to the Consolidation of subsidiary companies and the Minimum Revenue Position (MRP). Work had continued on these two issues throughout the year and the findings on these were outlined within Appendix 3. There were no matters of any significance arising as a result of audit work in the Consolidation of Subsidiary Companies and the changes to the policy on the MRP.

The Authority had continued to have good processes in place for the production of the accounts and good quality supporting working papers. Officers dealt with queries efficiently and the audit process had been completed within the prescribed timescales. The Finance Team, Mr N Copley, Service Director Finance, and Miss F Foster, Director of Finance, Assets and IT and their staff were thanked for their assistance and support.

No specific Value for Money risks had been identified within the Audit Plan for 2015/16. It had been concluded that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. It was anticipated that an unqualified VFM conclusion would be issued by 30<sup>th</sup> September 2016.

All work on the financial statements was substantially complete subject to the completion of work in relation to Creditors, Journal Entries, Whole of Government Accounts and Completion of Final Review.

The presentation engendered a full and frank discussion during which matters of a detailed and general nature were raised and answers were given to Members questions where appropriate.

The following issued were referred to:

- Reference was made to the two recommendations and to the rationale for them:
  - The need for the Authority to review its written procedure notes for the posting and authorisation of journal entries and ensure that they reflected the procedures what were both required and were currently in practice. This was due for completion by the 31<sup>st</sup> October, 2016

- The need for the latest valuation of the waste PFI asset to be reflected in the 2016/17 statement of accounts and for all new assets to be valued when they came into use in line with the requirements of the Code. Work was ongoing in this respect and it was anticipated that this would be complete by 31<sup>st</sup> March, 2017. In response to questioning, it was noted that there was no additional staff training needs identified in this area
- Specific reference was made to the reasons for the audit adjustment given that this was a value of £13.3 m. The Authority had accepted that adjustments due to the repayment for the PFI contracts made by the Council had been put into a prepayment account to match the revised MRP policy over a longer period. This was not in accordance with accounting standards. It was reported that the Authority had accounted for the actual payment over 60 years, per the revised MRP policy instead of over the 25 years in line with the life of the lease. Several adjustments had been required to the draft statement of accounts to rectify this and the impact of these adjustments was outlined. It was stressed, however, that there was no overall impact on the Authority's medium term financial plan as this was simply a reallocation of costs over a shorter period. It was further stressed that the necessary adjustments had been accepted and made by the Council and there were no additional financial implications for the Authority
- There was a discussion of materiality, how this was calculated and whether or not this was appropriate. It was noted that this had been set at £11m which equated to around 1.7% of the gross expenditure of the Authority. It was considered that the reassessment undertaken due to the significant fall in Gross Expenditure (compared to 2014/15) was correct and appropriate in the circumstances
- Reference was made to Significant Risk 1 and to the consolidation of subsidiary companies. It was noted that, following review, KPMG had agreed with the Authority that for 2015/16 group accounts were not required
- In relation to Journal authorisation:
  - It was noted that the creditors and journal entries had now been completed. The Service was looking to undertake a review of Journal entries/authorisation including an interim audit of processes and controls
  - It was noted that the authorisation procedures were being updated. There was no evidence of inappropriate entries. The Service Director Finance would submit a further report on this once the procedures had been updated and were in place
- It was noted that the final Director review was now complete, pending receipt of the final signed financial statements
- All Members of the Council had the opportunity to comment on the Annual Governance Statement, it had been published and was to be the subject of a presentation and report to the Council meeting to be held on the 29<sup>th</sup> September, 2016
- As previously stated, and in response to further questioning, the KPMG representatives stated that it was anticipated that, following consideration by Council, an unqualified opinion would be issued by 30<sup>th</sup> September, 2016

**RESOLVED:-**

- (i) That the External Auditor's Reprt 2015/16 be received and referred for consideration by the Council to be held on the 29<sup>th</sup> September, 2016;
- (ii) That the Auditor's findings on the effectiveness of the Council's internal controls and the conclusion on the Council's arrangements for securing Value for Money be noted; and
- (iii) That the Committee place on record their thanks and appreciation for the hard work of the External Auditor and the Director of Finance, Assets and Information Services and their respective Teams in this process.

**RECOMMENDED TO FULL COUNCIL ON THE 29<sup>th</sup> SEPTEMBER, 2016:-**

- (i) That the External Auditor's Annual Governance Report 2015/16 be approved;
- (ii) That the findings on the effectiveness of the Council's internal controls and the conclusions on the Council's arrangements for securing Value for Money be noted; and
- (iii) That the findings from the audit work in relation to the 2015/16 financial statements be noted and accordingly, the final accounts 2015/16 be approved.

**27. ANNUAL GOVERNANCE REPORT 2015/16**

Further to minute 21 of the previous meeting held on the 20<sup>th</sup> July, 2016, the Committee considered a joint report of the Chief Executive, Director of Finance, Assets and IT and Director of Legal and Governance on the final Annual Governance Statement for 2015/16, requesting the Committee to refer it to Council for consideration and adoption as part of the process for approving the 2015/16 Statement of Accounts. A copy of the Statement was appended to the report.

In the ensuing discussion, reference was made to the following:

- The final Statement was substantially the same as the draft submitted to the previous meeting and provided an assurance that the Authority had appropriate procedures and processes in place
- The Service Director, Legal Services, who presented the report, emphasised that the Council's Governance arrangements were fundamentally sound and no major issues were revealed. There was, however, a light touch action plan (attached as Appendix 2) to capture some improvements suggested through the review process. The Service Director briefly went through the plan and explained that this would form the basis for the Committee monitoring

throughout the year. An update of the Action Plan would be reported to the Committee in December, 2016.

- It was noted that in relation to the recording of officer delegated decisions that the processes were now in place to ensure that this was in line with legislation. It was suggested, however, that this action should not be considered complete until a review had taken place to evidence that the recording of officer decisions was working in line with the implemented processes.
- Arising out of the above discussion, the Service Director Legal Services commented that there was no evidence to suggest that there had been any misuse of the officer delegated decision process. Any decisions taken were required to be listed on the Council's Website and the link to this would be sent to all Members
- It noted that there was no reference to the Sheffield City Region governance arrangements. It was noted, however, that the City Region had its own governance and audit arrangements although it was accepted that the Council was in a strong position to influence these through the support given in relation to internal control support functions such as HR, Risk Management, Health and Safety, Information Governance and Internal Audit that were delivered via a service level agreement. It was suggested that reference to this be made via a small amendment to paragraph 3.19 of the AGS
- It was noted that the link to the Council's Risk Management site was not public facing and action would be taken to address this
- In relation to the Panel to consider allegation of misconduct by Members it was reported that these Independent Panel Members were Messrs S Carvell, M Moore, and D Waxman. These persons were appointed for the relevant provisions of the Local Government Act 2000 as amended by the Localism Act 2011 with regard to the investigation of ethical standards complaints. The term of office was coming to a close and arrangements were being made to undertake a recruitment exercise to seek new/replacement members
- In relation to Whistleblowing complaints, the Committee was reminded of the policy currently in place. A review of the arrangements was to be reported to Committee in spring 2017 which would include an analysis of the use of the arrangements in the previous year. It was noted that the number of referrals/complaints received was extremely small which could either mean that there were relatively few instances of 'misconduct' that needed reporting or that employees were reluctant to report issues (which could be for a variety of reasons). The policy was, however, well-advertised both on the BMBC Intranet site and on staff notice boards in 'break out' areas. It was important to realise, however, that the Whistleblowing arrangements were only one of a number or ways to raise issues
- It was suggested that a training session be arranged on the Council's Risk Management Framework arrangements. This could possibly form an item for discussion at the Audit Committee Training Day scheduled for 2<sup>nd</sup> November, 2016

**RECOMMENDED TO FULL COUNCIL ON THE 29<sup>th</sup> SEPTEMBER, 2016** that the final Annual Governance Statement 2015/16 be approved and adopted.

## **28. EXTERNAL AUDIT REPORT AND TECHNICAL UPDATE**

The Committee received the External Audit progress report and technical update for September, 2016 giving a high level overview of progress in the delivery of the External Auditor's responsibilities. The report set out in the appendix a summary of the main deliverables including report and opinions give and members noted progress against those issues.

The following matters were highlighted:

- It was noted that no areas of concern had been identified
- The audit of the draft financial statements was almost complete and the Value for Money conclusion was complete
- The Housing Benefit and Council Tax Benefit Claim was the only grant remaining under the Public Sector Audit Appointments (PSSA) regime
- Additional work was being undertaken in relation to the Teacher's Pensions Agency and the Pooling of Capital Receipts which fell outside the PSAA regime and the cost for this work was £7,750. In response to detailed questioning, the External Audit representatives explained the rationale for these fees and the Service Director Finance commented particularly on the issues previously addressed in relation to the Teacher's Pensions Agency return
- Reference was made to the KPMG publication of reports 'Value of Audit – Perspectives for Government'; 'Reimagine – Local Government'; and 'The Future of Cities'

**RESOLVED** that the External Audit progress report and technical update for September, 2016 be noted.

## **29. AUDIT COMMITTEE WORK PLAN 2015/16**

The Committee received a report providing the indicative work plan for the Committee for its proposed scheduled meetings for the remainder of the 2015/16 municipal year.

It was noted that a number of training requests had been received, some of which could be dealt with at the sessions immediately prior to the meetings of the Committee and some that required more in depth discussion which could possibly be dealt with at the Member Training Day in November.

Arising out of the discussion particular reference was made to the itinerary for the training day.

**RESOLVED:**

- (i) that the core work plan for 2015/16 meetings of the Audit Committee be approved and reviewed on a regular basis; and

- (ii) that, in order for an itinerary to be produced, the Director of Legal and Governance and Head of Internal Audit and Corporate Anti-Fraud compile a list of outstanding training events for circulation to all Members who then be requested to submit their suggestions for items for discussion at the November Training day.

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Chair

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**AUDIT COMMITTEE – 7<sup>th</sup> December, 2016**

**ACTIONS ARISING FROM MEETINGS OF THE AUDIT COMMITTEE**

<b>Date of Meeting</b>	<b>Agenda Ref</b>	<b>Subject</b>	<b>Details of Actions Arising</b>	<b>Person Responsible</b>	<b>Status / Response</b>
22 <sup>nd</sup> July, 2015	6	Draft Annual Governance Statement 2014/15	To receive a report on the multi agency approach to safeguarding and the creation by the Police of multi-agency hubs	Chief Executive, Director of Legal and Governance, Director of Finance, Assets and Information Services	To be built into the Future Work Plan when invitations are sent to 'external witnesses/speakers' (possibly programmed for December, 2016)

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# Item 4

## Report of the Head of Internal Audit and Corporate Anti-Fraud

**AUDIT COMMITTEE – 7<sup>TH</sup> DECEMBER 2016**

**INTERNAL AUDIT QUARTERLY REPORT 2016/17  
QUARTER ENDED 30<sup>TH</sup> SEPTEMBER 2016**

### **Executive Summary**

1. Due to the timing of the Audit Committee meeting, the quarterly reporting period has been extended to include audit activities completed during October 2016.
2. Issued reports and the Internal Audit work completed during the period did not raise any fundamental recommendations. (Para. 4.1).
3. The internal control assurance opinion overall however remains adequate based upon the results of the work undertaken during the quarter (Para. 6.1 / Appendix 1).
4. Of the 31 recommendations followed-up, 10 (32%) had been implemented by the original target date with a further 15 (52%) implemented after the original target date and 5 (16%) not implemented, with revised implementation dates agreed by management. (Para. 4.4).
5. In relation to the Barnsley MBC audit plan, actual days delivered are broadly in line with the profiled days at the end of the reported period (Para.7.7 & Appendix 2).
6. Quarterly performance of the function is generally satisfactory. The PI relating to chargeable time is slightly below profile due to the number of training days being higher than expected. (Para. 8.2 and 8.3 & Appendices 3 & 4).

**AUDIT COMMITTEE - 7<sup>TH</sup> DECEMBER 2016**

**INTERNAL AUDIT QUARTERLY REPORT 2016/17  
QUARTER ENDED 30<sup>TH</sup> SEPTEMBER 2016**

**1. Purpose of Report**

- 1.1 This report provides the Audit Committee with a comprehensive overview of the key activities and findings of Internal Audit based on the Division's work covering the whole of the second quarter, together with additional details of audits completed up to the end of October 2016, in order to ensure that the Audit Committee is provided with the most up to date position. This report provides the Audit Committee with information relevant to its responsibilities within its terms of reference (terms of reference items (a), (b), (h), (i) and (k)).
- 1.2 The report covers:-
- i. The issues arising from completed Internal Audit work in the period (section 4 and Appendix 1);
  - ii. Matters that have required investigation (section 5);
  - iii. An opinion on the ongoing overall assurance Internal Audit is able to provide based on the work undertaken regarding the adequacy and effectiveness of the Authority's internal control environment (section 6);
  - iv. Progress on the delivery of the Internal Audit Plan for the period to the end of the second quarter of 2016/17 year (section 7 and Appendix 2);
  - v. Details of Internal Audit's performance for the quarter utilising performance indicators (section 8 and Appendices 3 and 4).

**2. Recommendations**

**2.1 It is recommended that the Audit Committee:-**

- i. **consider the issues arising from completed Internal Audit work in the period along with the responses received from management;**
- ii. **note the assurance opinion on the adequacy and effectiveness of the Authority's internal control framework based on the work of Internal Audit in the period to the end of October 2016;**
- iii. **note the progress against the Internal Audit plan for 2016/17 for the period to the end of October 2016; and**
- iv. **Consider the performance of the Internal Audit Division for the second quarter.**

### **3. Introduction / Background**

- 3.1 Internal Audit is a key contributor to the assurances the Audit Committee requires regarding the adequacy and effectiveness of the internal control, risk and governance environment of the Authority. That assurance is provided through planned work and responding to urgent matters and changes in priority and risk. It is important that all Internal Audit activities are undertaken with due regard to risk and the risk issues prevailing at the time.
- 3.2 In order to fulfil its responsibilities the Audit Committee needs to be satisfied that the Internal Audit Division is undertaking its work as planned, responding appropriately to client demands, operating to the required professional standards and obtaining the necessary responses from management following Internal Audit work.
- 3.3 In accordance with statutory best practice provided by the Public Sector Internal Audit Standards, there is a requirement that the Head of the Internal Audit function prepares an annual report to the appropriate member body. This requirement is best supported through regular reports during the year, providing, amongst other things, ongoing assurances on the adequacy and effectiveness of the Authority's framework of governance, risk management and control.
- 3.4 For the Authority, the appropriate member body is the Audit Committee.

### **4. Key Issues Arising From Internal Audit Work in the Period Ended 31<sup>st</sup> October 2016**

- 4.1 Internal Audit work undertaken during the period did not identify any fundamental recommendations.
- 4.2 It should be noted, that in the process of agreeing a final report, senior officers respond to specific recommendations by identifying relevant actions and agreeing responsible managers and timescales for implementation.

#### **Follow-Up of Report Recommendations**

- 4.3 The following protocol is applied to the follow-up of recommendations in audit reports:
- all fundamental and significant recommendations irrespective of the assurance opinion;
  - all recommendations contained within the annual core financial system audit reports and;
  - reports containing a significant number of merits attention recommendations giving rise to a negative assurance opinion.
- 4.4 Table 1A identifies the total number of reports analysed by the assurance opinion given and the total number of recommendations made.

Table 1B shows the number of recommendations followed-up in the quarter. Of the 31 recommendations followed-up, 10 (32%) had been implemented by the

original target date with a further 15 (52%) implemented after the original target date and 5 (16%) not implemented, with revised implementation dates agreed by management.

- 4.5 Internal Audit continues to get very good co-operation from management including the Senior Management Team and as such is able to closely monitor any implications that may arise from a delay in the implementation of management action. However, it should be noted that the majority of recommendations followed-up had not been implemented and required a revised implementation date.
- 4.6 The Audit Committee should note that there are several recommendations relating to Business Continuity which are in the process of being followed up. Action dates had been revised to the 30<sup>th</sup> April 2016 and Internal Audit is working closely with management to establish whether the necessary actions have been addressed.
- 4.7 As part of the 2016/17 reporting process the criteria and process in respect of the follow-up of audit report recommendations is currently being reviewed and the Audit Committee will receive information in this regard at a future meeting.

## **5. Fraud, Investigations and the Corporate Anti-Fraud Team**

- 5.1 A separate report will be provided to the Audit Committee covering the detail of fraud and irregularity investigations undertaken, the preventative work and the general activities and work plan of the Corporate Anti-Fraud Team.
- 5.2 The overall assurance opinion takes into account any control issues arising from investigations or anti-fraud work. No issues are required to be brought to the Committee's attention at this time.
- 5.3 Internal audit work closely with the Corporate Anti-Fraud Team in order to ensure that there is maximum benefit and assurance provided from anti fraud activities.

## **6. Head of Internal Audit's Internal Control Assurance Opinion**

- 6.1 Based on the audits reported in the period, an overall adequate assurance opinion remains appropriate. However, Audit Committee Members should note the fundamental recommendations and the impact on the system of internal control in those areas.
- 6.2 As referred to above, the percentage of audit report recommendations implemented, and requiring a revised implementation is relatively high at 16%. The implementation of recommendations is monitored closely to ensure that there are no serious issues or concerns regarding the effectiveness of the control, risk and governance framework arising from the delay or non-implementation of recommendations.
- 6.3 Where control weaknesses have been identified within procedures or in the provision of advice or 'consultancy' services, these have either been resolved with management through the issue of an audit report and/or correspondence or addressed at the time of the audit.

- 6.4 It does however need to be recognised that Internal Audit coverage cannot guarantee to detect all errors, systems or control weaknesses or indeed identify all of the opportunities for improvements in management arrangements that might exist. Accordingly only reasonable and not absolute assurance is given.
- 6.5 The assurance opinion is supported by the knowledge that the underlying framework of financial and other controls, encompassing the Council's Financial Regulations, various codes of practice, procedures and other financial governance arrangements, periodically reviewed by both Internal and External Audit, are appropriate and working satisfactorily.
- 6.6 The general context and impact of the significant savings and service changes that have been implemented arising from Future Council form a core element of Internal Audit work planning to ensure that the control, risk and governance framework remains adequate and effective.

## **7. Internal Audit Plan 2016/17 - Progress to the end of October 2016**

- 7.1 Internal Audit utilise a risk-informed approach to planning and delivering its work. This approach seeks to ensure that the key risks facing the Authority are considered and covered, where appropriate, by Internal Audit work. In turn the annual work programme is planned indicatively across the year. This enables quarterly monitoring of progress against planned work and the utilisation of Audit resources.
- 7.2 It is however important to recognise and appreciate that whilst a significant proportion of audit work is planned, there are many 'external' factors that can and do impact on precisely when pieces of work are actually undertaken and completed and indeed their detailed scope. For this reason the monitoring of the audit plan in each quarter can only provide an indicative picture of progress overall. Individual jobs are monitored on a job-by-job and week-by-week basis utilising the Division's computerised management system.
- 7.3 Appendix 2 shows the progress of the plan up to the end of October 2016, analysed by Directorate / Service.
- 7.4 Adjustments are made to the days allocated to particular jobs on an on-going basis and so there is naturally only a minor variance between the actual days and those planned. Given the risk basis and responsive nature of audit work, the Audit Committee should be particularly interested in the overall deployment of audit resources rather than necessarily where those resources have been spent.
- 7.5 At the beginning of the year provision is made in the allocation of audit resources for unplanned work, through a contingency. As requests for audit work are received, or more time is required for jobs or changes in priorities are identified, time is allocated from this contingency.
- 7.6 The following audits have either been either added or removed from the audit plan, as agreed in conjunction with management:

<b>Directorate / Service</b>	<b>Audit Assignment Title</b>	<b>Deferred / Deleted / Added</b>
Finance, Assets & IT	Commissioning, Procurement and Contracts	Audit deferred to 2017/18 at the request of management in order to allow sufficient time for revised processed to be embedded
HR, Performance & Comms	SVER/VS Process	Audit deferred to 2017/18 following delays in the drafting of the Public Sector Exit Payment Regulations.
Public Health	Public Health Grant – Governance Procedures	Audit deleted – An Internal Audit of the governance procedures is no longer required as the work was undertaken as part of the original report follow-up arrangements.
People	Governance Review	Audit deferred to 2017/18 at the request of management. The Service Director is currently working alongside Barnsley Governors Association which would impact on the timing of the audit.
Place	URBACT TechTown Phase II First Level Controller (FLC)	Added – FLC certification of next phase of grant funded expenditure and activity.

- 7.7 The position at the end of October 2016 for the audit days allocated to BMBC shows 39 days above profile. Due to the scheduling of work across the various client organisations, it is anticipated that the total days for BMBC will be slightly below the annual planned figure. This however is not likely to be material nor jeopardise the breadth or work undertaken in order to provide a soundly based overall opinion at the end of the year.

## **8. Internal Audit Function and Performance**

- 8.1 The Division uses a range of performance indicators to monitor operational efficiency. A list of the performance indicators (PIs) for 2016/17 is attached at Appendix 3.
- 8.2 The performance indicators for the second quarter are generally satisfactory at this mid stage in the year. The chargeable time indicator is slightly below target but this is due in the main to the number of training days being higher than expected.
- 8.3 The analysis of the more detailed feedback received following each audit job is shown in Appendix 4. For the second quarter of the year, at the point of preparing this report 1 feedback sheet has been received out of the 1 final report issued, for which feedback has been noted as very good.
- 8.4 A savings target has been applied to the Internal Audit function as part of the 2017/18 budget process. Although detailed structures are currently being developed it is likely that there will be a reduction of up to 2 posts from the current Barnsley MBC audit resource of 8 posts. Part of the restructure process will be to ensure the audit approach provides as much assurance and coverage

as possible. Options are currently being developed and the Audit Committee will be apprised of these in due course.

## **9. Local Area Implications**

9.1 There are no Local Area Implications arising from this report.

## **10. Consultations**

10.1 All audit reports are discussed with the main auditee. Individual audit reports are provided to the appropriate Executive Director and/or Service Director to apprise him/her of key issues raised and remedial actions agreed.

10.2 No specific consultation has been necessary in the preparation of this quarterly report.

## **11. Compatibility with European Convention on Human Rights**

11.1 In the conduct of audit work and investigations particularly, Internal Audit operates under the provisions of the Data Protection Act 1998, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

## **12. Reduction of Crime and Disorder**

12.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. The control issues arising from audit investigations have been considered to ensure improvements in overall controls are made. Additionally, Internal Audit ensures that in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

## **13. Risk Management Considerations**

13.1 The underlying purpose of the work of Internal Audit is to address and advise on key risks facing management and, as such, risk issues are inherent in the body of the report.

13.2 The Division's operational risk register includes the following risks which are relevant to this report:

- Inappropriate use of and management of, information to inform and direct service activities;
- Inability to provide a flexible, high performing and innovative service; and
- Poor levels of customer satisfaction.

All of these risks have been assessed and remain within the tolerance of the Division.

An essential element of the control (and on-going) management of these risks is the provision of update reports to the Audit Committee and the assurance this provides.

#### **14. Employee Implications**

14.1 There are no employee implications arising from this report.

#### **15. Financial Implications**

15.1 There are no financial implications arising directly from this report. The costs of the Internal Audit function are included within the Authority's base budget.

#### **16. Appendices**

- 16.1 Appendix 1 - Key issues arising from completed Internal Audit work  
Appendix 2 - Internal Audit Plan 2016/17 – Position as at 31<sup>st</sup> October 2016  
Appendix 3 - Internal Audit Performance Indicators for the Quarter Ended 30<sup>th</sup> September 2016  
Appendix 4 - Analysis of Internal Audit feedback for the second quarter of 2016/17

#### **17. Background Papers**

17.1 Various Internal and External Audit reports, files and working papers.

**Officer Contact:** Head of Internal Audit and Corporate Anti-Fraud  
**Telephone No:** 01226 773241  
**Date:** 25<sup>th</sup> November 2016

**A: Completed Audits / Final Reports Issued During the Period Between 1st July and 31st October 2016**

**Appendix 1**

**KEY – Recommendations - Fundamental ‘F’ Significant ‘S’ Merits Attention ‘MA’**

<b>Service / Directorate / Audit Title</b>	<b>Key Issues</b>	<b>Assurance Opinion</b>	<b>No. of Recs.</b>	<b>Date Report Issued</b>	<b>Other Action</b>
Place: URBACT Project TechTown	Overall the audit concluded that there was an adequate governance and internal control framework in order to provide the necessary assurances as to the validity and correctness of project expenditure incurred, including officer expenses. Notwithstanding this, the audit identified a number of areas for improvement, having particular regard for the need to ensure staff clarity in relation to the relevant corporate policies and procedures and compliance with the requirements as appropriate.	<b>Adequate</b>	F - 0 S - 2 MA - 2	01.09.16	N/A – all report recommendations have been implemented
People: Early Years Education Funding	The key issue identified related to the absence of an up to date Early Education Funding Agreement which was required in order to provide clarity for the benefit of the Council and the provider in terms of the services to be provided.	<b>Adequate</b>	F - 0 S - 4 MA - 2	14.10.16	To follow-up the significant report recommendations

<b>Details and Outcome of Other Audit Activities Not Producing a Specific Assurance Opinion</b>		
<b>Audit Work Completed</b>	<b>Details</b>	<b>Contribution to Assurance</b>
People: Hunningley Primary School	Internal Audit carried out a review of the governance and financial management arrangements at Hunningley Primary School. This review was commissioned in response to a request from the Head Teacher to Internal Audit on 17th May 2016. The findings and recommendations arising from the review were detailed in the form of a prioritised Action Plan which was provided in order to assist the Head Teacher and Chair of Governors to improve the School's governance and control arrangements.	The outcome of the audit work contributes to assurance in respect of school governance arrangements.
People: Childrens Social Care & Safeguarding – Adoptions Allowance	Follow up work to ensure that the payment of adoption allowance in a specific case had ceased on the appropriate date. Also involved provision of advice with regard to the additional request for continuation of payment, due to the young person continuing within education until 19 years of age.	The audit work contributed to assurance in respect of the Authority's payment systems and safeguarding arrangements.
Place: Taxi Licencing and Home To School Transport	Review of progress made in implementing audit recommendations from 2015/16 along with additional sample testing which confirmed the necessary improvements to the licence application process. Delays in addressing the Home to School Transport contract resulted in the agreement of revised implementation date.	Both areas of audit activity contribute to assurance in respect of the Authority's safeguarding arrangements.
Information Services: Core IT Infrastructure Tender	Delivery of a lessons learned workshop to IT colleagues following identification of procurement planning and Contract Procedure Rules compliance issues in relation to the Core IT Infrastructure tender.	The audit work contributes to assurance in respect of contract management and procurement.
Information Services: Security of IT Assets	Advisory piece of work relating to the review of arrangements at Mount Osborne Business Units for the receipt, storage, issue, disposal and physical security of IT assets.	The audit work contributes to assurance in respect of asset management.
Finance: Assets – Carbon Reduction Commitment Energy Efficiency Scheme	Advisory work to validate energy data prior to submission to the Environment Agency.	The audit work contributes to assurance in respect data quality.
Finance: Commercial Services – E>Returns	Advisory work in relation to the revised process for the authorisation, deletion and monitoring of E>Returns.	The audit work contributes to assurance in respect of financial management specifically relating to the Authority's banking arrangements.
Finance: Commercial Services - Review of Process Maps	Review of Process Maps for new BMBC Procurement Cards procedure for Cardholders, Approvers and Commercial Services.	The audit work contributes to assurance in respect of financial management specifically relating to procurement.
Finance: FB60 Payment Requests	Advisory work to identify reasons for delayed payment in relation to barrister's fees.	The audit work contributes to assurance in respect of financial management specifically relating to payment processes.

<b>Other Work Undertaken</b>	
Follow-up of Recommendations	Regular work undertaken to follow-up recommendations made.
Attendance at Steering / Working Group	Information Governance Board, Commissioning, Procurement & Contracts Working Group.
Liaison, Planning and Feedback	Meeting and corresponding with Service and Executive Directors and Heads of Service regarding progress of audit work, future planning and general client liaison.
Advice	General advice to services regarding controls, risk or governance matters. Such work often does not require formal reporting but occasionally will escalate into a specific piece of audit work for which a new job will be created.
Audit Committee Support	Time taken in the preparation of Audit Committee reports, Audit Committee Member training, general support and development.
Corporate Whistleblowing	General time taken in providing advice and the initial consideration of matters raised. Also includes the review of arrangements.
Corporate Matters	Covering time required to meet corporate requirements, i.e. corporate document management, service business continuity and health and safety.

Table 1A

## Summary Activity

## All Audit Reports

Assurance Opinion	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative
Substantial	0 (0%)	0 (0%)			0 (0%)
Adequate	3 (75%)	2 (100%)			5 (83%)
Limited	1 (25%)	0 (0%)			1 (17%)
None	0 (0%)	0 (0%)			0 (0%)
<b>TOTAL REPORTS</b>	<b>4</b>	<b>2</b>			<b>6</b>
Opinion Not Applicable	12	9			21

## Total Recommendations

Number of Recommendations	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative
Fundamental	1 (4%)	0 (0%)			1 (3%)
Significant	12 (50%)	6 (60%)			18 (53%)
Merits Attention	11 (46%)	4 (40%)			15 (44%)
<b>TOTAL</b>	<b>24</b>	<b>10</b>			<b>34</b>

Table 1B

## Recommendations Followed-up by Internal Audit

Quarter 1				
Recommendation Classification	Followed-up	Completed by due date	Completed after target date	Not yet completed – Revised date agreed
Fundamental	1	1	0	0
Significant	1	0	0	1
Merits Attention	4	0	0	4
<b>TOTAL</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>5</b>

Quarter 2				
Recommendation Classification	Followed-up	Completed by due date	Completed after target date	Not yet completed – Revised date agreed
Fundamental	3	0	2	1
Significant	24	9	11	4
Merits Attention	4	1	3	0
<b>TOTAL</b>	<b>31</b>	<b>10</b>	<b>16</b>	<b>5</b>

## Trend Analysis – Second Quarter 2016/17

### Assurance Opinions

	2015/16				2016/17				Cumulative	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2015/16	2016/17
	%	%	%	%	%	%	%	%	%	%
Substantial	24	0	0	0	0	0			7	0
Adequate	38	40	43	50	75	100			41	83
Limited	38	60	57	50	25	0			52	17
None	0	0	0	0	0	0			0	0
	100	100	100	100	100	100			100	100

### Implementation of Recommendations

	2015/16				2016/17				Cumulative	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2015/16	2016/17
	No.	No.	No.	No.	No.	No.	No.	No.	%	%
Completed by target date	7	13	14	3	1	10			35	30
Completed after target date	5	6	21	15	0	16			45	43
Not yet completed – revised date agreed	2	2	6	11	5	5			20	27
Total followed up	14	21	41	29	6	31			100	100
<b>% Completed by Original Target Date</b>	<b>50%</b>	<b>62%</b>	<b>34%</b>	<b>10%</b>	<b>17%</b>	<b>32%</b>				
<b>% Completed at time of Follow-up</b>	<b>86%</b>	<b>90%</b>	<b>86%</b>	<b>62%</b>	<b>0%</b>	<b>84%</b>				

INTERNAL AUDIT PLAN 2016/17 – Position as at 31<sup>st</sup> October 2016

Directorate	Original 2016/17 Plan	Revised 2016/17 Plan	Actual Days
Communities	50	50	7
People	165	190	160
Place	139	156	127
Public Health	10	5	2
Corporate Services:			
➤ HR, Performance & Communications	122	100	90
➤ Legal & Governance	105	105	10
➤ Finance, Assets & Information Services	430	402	231
Council Wide	265	265	207
Contingency	50	75	0
Berneslai Homes	133	130	53
<b>Sub Total</b>	<b>1,469</b>	<b>1,478</b>	<b>887</b>
Corporate Anti-Fraud Unit	581	572	347
<b>Sub Total</b>	<b>2,050</b>	2,050	1,234
		Profile	1,195
		Variance	+39
<b>External Clients</b>	<b>1,653</b>	1,653	715
<b>Total Chargeable Planned Days</b>	<b>3,703</b>	3,703	1,948

## INTERNAL AUDIT PERFORMANCE INDICATORS FOR 2016/17

Ref.	Indicator	Frequency of Report	Target 2015/16	This Period	Year to Date
1.	<b><u>Customer Perspective:</u></b>				
1.1	Percentage of questionnaire received noted “good” or “very good” relating to work concluding with an audit report. (Cumulative 4 very good)	Quarterly	95%	100%	100%
2.	<b><u>Business Process Perspective:</u></b>				
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report. (Cumulative 6/6 reports)	Quarterly	80%	100%	100%
2.2	Percentage of chargeable time against total available.	Quarterly	73%	71%	71%
2.3	Average number of days lost through sickness per FTE (Cumulative 26 days in total)	Quarterly	6 days	<1 day	<2 days
3.	<b><u>Continuous Improvement Perspective:</u></b>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%
4.	<b><u>Financial Perspective:</u></b>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Within Budget	Within Budget

## Performance Indicator Definitions and Supporting Information

PI Ref	Indicator	Comments
1.1	Percentage of favourable auditee questionnaire responses received (noted “good” or “very good”) relating to work concluding with an audit report.	Questionnaires are left at the end on each audit job resulting in a formal report. The questionnaire asks 14 specific questions covering the effectiveness of audit planning, communication, timing and quality of the audit report. An overall assessment is sought as to the overall value of the audit. This is the answer used for this PI. All questionnaires are analysed in detail to ensure all aspects of the audit process are monitored and improved.
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report.	This is an operational PI to ensure the timely issue of final reports. This PI is influenced by the availability of senior Internal Audit staff to clear the report and any issues the Division’s quality assessment process highlights along with the availability of the auditee.
2.2	Percentage of chargeable time against total available.	A key operational measure of the ‘productivity’ of Audit staff taking into account allowances for administration, general management, training and other absences. This PI will reflect the % chargeable time of staff in post, net of vacancies.
2.3	Average number of days lost through sickness per FTE.	A corporate PI to measure the effectiveness of good absence / attendance management.
3.1	Personal development plans for staff completed within the prescribed timetable.	IA place a high level of importance on staff training and continuous development and are committed to ensure all staff have their own training plans derived from the personal development plan process.
4.1	Total Internal Audit costs v budget.	This is a simple overall measure to note whether the Division’s expenditure for the year has been kept within the budget.

## Appendix 4

### Analysis of Internal Audit Feedback Received in the Second Quarter of 2016/17

Number of ticks shown against each question

		Very Good	Good	Acceptable	Poor
<b>A</b>	<b>Audit Planning</b>				
1	Relevance of the audit objectives	(2) 0	(2) 1	0	0
<b>B</b>	<b>Communication</b>				
1	Consultation on scope and objectives of the audit	(4) 1	0	0	0
2	Communication during all aspects of the audit	(4) 1	0	0	0
3	Helpfulness co-operation of the auditor(s)	(4) 1	0	0	0
4	Professionalism of the auditor(s)	(4) 1	0	0	0
5	The auditor(s) demonstrated an appreciation of any relevant issues concerning equality and diversity	(4) 1	0	0	0
<b>C</b>	<b>Timing</b>				
1	Duration of the audit	(2) 0	2 (1)	0	0
2	Timeliness of the audit report	(3) (1)	0	0	0
<b>D</b>	<b>Quality of the audit report</b>				
1	Format and clarity of audit report	4 (1)	0	0	0
2	Accuracy of the findings	4 (1)	0	0	0
3	Relevance of recommendations	4 (1)	0	0	0
4	Overall quality of the report	4 (1)	0	0	0
<b>E</b>	<b>Value of the audit</b>				
1	Basic controls assurance the audit has provided	4 (1)	0	0	0
2	Added value given beyond basic controls assurance	3 (0)	1 (1)	0	0
3	<b>Overall value of the audit</b>	<b>4 (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>100%</b>			
	<b>Total Number of 'ticks' (A – E)</b>	<b>54</b>	<b>5</b>	<b>0</b>	<b>0</b>
	<b>Percentage</b>	<b>92%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>
		<b>100%</b>			

#### Returned Questionnaires:-

Quarter 1      3  
 Quarter 2      1  
 Quarter 3  
 Quarter 4  
**Total            4**

# Item 5

## Report of the Head of Internal Audit and Corporate Anti-Fraud

### AUDIT COMMITTEE – 7<sup>th</sup> DECEMBER 2016

#### CORPORATE ANTI-FRAUD TEAM PROGRESS REPORT

#### 1. Purpose of the Report

- 1.1 This report provides the Audit Committee with an account of the work of the Corporate Anti-Fraud Team from 1<sup>st</sup> April 2016 to 31<sup>st</sup> October 2016.

#### 2. Recommendations

##### 2.1 It is recommended that:-

- i. The Audit Committee notes the progress made in the development of effective arrangements and measures to minimise the risk of fraud and corruption.
- ii. The Audit Committee continues to receive regular progress reports on internal and external fraud investigated by the Corporate Anti-Fraud Team.

#### 3. Background Information

- 3.1 The Audit Committee received details of progress in the Annual Fraud Report presented at the June meeting. This report highlights the work undertaken and progress in respect of fraud management during the first seven months of 2016/2017.
- 3.2 Details of sample fraud cases are reported at Appendix 1.

#### 4. Council Tax Support Investigations

- 4.1 On 1<sup>st</sup> April 2013 Council Tax Benefit (CTB) was replaced by Council Tax Support (CTS). Council tax Benefit was a Social Security benefit and was administered under Social Security legislation whilst CTS is a Council Tax discount administered under the Local Government Finance Act.
- 4.2 As CTS has only been in legislation for two financial years the levels of fraud identified nationally are still relatively low, both locally (within the Yorkshire region) and nationally. CAFT have identified fraudulent council tax support claims totalling £3,057.92 since April 2016.
- 4.3 A summary of the Council Tax Support workload of CAFT for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> October 2016 is shown below.

Referrals	103
Overpayment less than £500	6
Current investigations	5

- 4.4 A summary of referrals not pursued for investigation is shown in the table below.

Details	Numbers
Change in circumstance already known - no issue	1
Poor intelligence – not enough evidence to pursue	11
Referred to DWP for investigation	50
No benefit in payment – no issue	2
LA error	1
No evidence of fraud	27
<b>Total</b>	<b>92</b>

The majority of the above referrals were received via the Corporate Anti-Fraud Hotline (34) and online referrals (33). A further 17 referrals were received from anonymous letters from members of the public whilst the remaining 8 were referred from Benefits, Taxation and Income or Berneslai Homes.

- 4.5 CAFT have accepted five referrals for further follow-up and the outcomes of these investigations will be reported to the Audit Committee in due course.

## 5. Council Tax

- 5.1 CAFT have identified fraudulent council tax liability claims of £12,986.15 since April 2016.

- 5.2 A summary of the Council Tax workload of CAFT for the period 1 April 2016 to 31<sup>st</sup> October 2016 is shown in the table below.

Total referrals	172
Overpayment only	29
Currently under investigation	9

- 5.3 A summary of referrals not pursued for investigation is shown in the table below.

Details	Numbers
Change in circumstance already known - no issue	5
Poor intelligence – not enough evidence to pursue	10
No discount present	4
Referred to DWP	23
No evidence of fraud	92
<b>Total</b>	<b>134</b>

Most of the above referrals were received via the Corporate Anti-Fraud Hotline (51) and online referrals (37). A further 6 referrals were received from anonymous letters from members of the public whilst 20 were referred from Benefits, Taxation and Income or Berneslai Homes. The remaining 20 (which provided no evidence of fraud) followed investigations into a number of matches raised via the council tax pro-active data matching exercise which commenced earlier this year.

- 5.6 The bulk of the above data matching exercise has now been completed and cancellations (1,211 accounts) have resulted in an additional £331,044 Council Tax income being raised across the identified Council Tax accounts (This figure has previously been reported). CAFT continue to investigate remaining matches although

the majority have not provided any evidence of fraud as the taxpayers have provided alternate addresses for any additional individuals reported as resident as the property.

## **6 Right to Buys (RTB)**

- 6.1 The number of RTB applications has continued to rise from 40 in 2011/12 to 148 in 2015/16 following the increased discount (up to a maximum of £77K).
- 6.2 With such significant discounts available to prospective purchasers there is a greater risk of fraud. CAFT support the Right to Buy Team by applying an enhanced fraud prevention process to all new applications.
- 6.2 CAFT has undertaken checks against 147 Right to Buy applications as at the 31<sup>st</sup> October.
- 6.3 Thirteen of these applications have been referred to the DWP for further investigation due to the tenant being in receipt of DWP benefits. In addition, and as a result of CAFT investigations, two applications were withdrawn during the right to buy application process. However, It should be noted that neither application was identified as fraudulent.

## **7. Corporate Investigations**

- 7.1 Corporate investigations are defined as fraud cases which relate to employee fraud or other third party fraud which does not fall within a specific service area such as council tax or tenancy fraud.
- 7.2 CAFT have provided advice to managers undertaking management disciplinary investigations including alleged misuse of the internet and alleged flexi-time abuse.

## **8. National Fraud Initiative (NFI)**

### Background

- 8.1 The NFI is the Cabinet Office's national data matching exercise and is designed to help participating bodies prevent and detect fraud and error. The Council has routinely participated in this initiative from its inception in 1996-1997.
- 8.2 The Council is required to provide the following mandatory sets of data:
  - Payroll
  - Trade creditors' payment history and trade creditors' standing data
  - Housing (current tenants) and right to buy
  - Housing waiting lists
  - Council tax reduction scheme
  - Council tax (required annually)
  - Electoral register (required annually)
  - Private supported care home residents
  - Transport passes and permits (including residents' parking and blue badges)
  - Insurance claimants
  - Licences – market trader/operator, taxi driver and personal licences to supply alcohol
  - Personal budget (direct payments)

- 8.3 CAFT co-ordinates the Council's involvement in the National Fraud Initiative (NFI), takes an active role in pursuing data provided through this means and advises improvements in the Council's systems in order to minimise future losses.
- 8.4 CAFT's approach to NFI is based upon the guidelines issued by the former Audit Commission, which recognises a number of key elements that participating organisations must have in place to ensure that the resources invested into the NFI are used as efficiently and effectively as possible. These are:
- Acting as key contact role for the Council;
  - Identifying and briefing information asset owners about the exercise;
  - Contacting data provider and providing data specifications and timetables for extraction and upload;
  - Reviewing and revising privacy notices to ensure that individuals are aware that their data is being used in order to prevent or detect fraud;
  - Co-ordination of the data submissions;
  - Equipping staff with the NFI application and appropriate knowledge;
  - Initial review;
  - Investigations into targeted datamatches to identify fraud/error; and
  - Tracking progress.

#### 2014/15 – National Outcomes

- 8.5 The national results of the 2014/15 NFI datamatching exercise were published by the Cabinet Office on 4<sup>th</sup> November 2016.
- 8.6 Between 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2016 the NFI has identified fraud, overpayments and errors across England totalling £65 million. The key outcomes of the exercise for the above period are as follows:
- £11.4 million of pension fraud and overpayments;
  - £13.7 million of fraudulent or wrongly received, council tax single person discount (SPD) payments; and
  - £29.8 million of housing benefit, state benefit and council tax reduction scheme overpayments;
  - 54 properties were recovered for social housing;
  - 52 employees were dismissed or asked to resign because they had no right to work in the UK;
  - 535 people were prosecuted;
  - 726 false applications were removed for housing waiting lists following a pilot exercise;
  - 23,063 blue badges were cancelled.
- 8.7 The report acknowledges that high levels of fraud detection through the NFI data matching are likely to indicate weaknesses in underlying controls that need to be investigated and strengthened. In contrast, data matching showing little or no fraud and error provides assurance about the effectiveness of controls.

#### 2014/15 – Barnsley Council's Outcomes

- 8.8 Comparison of datasets submitted by the Council to those submitted by other public bodies identified 14,460 matches. Of these, 2,366 had been categorised as high quality matches recommended for investigation.

- 8.9 Data filters, recommended and supplied by the Cabinet Office, were used to sort the remaining matches based on the quality of the datamatch. There is no requirement for the Council to review 100% of matches as long as an effective system of sampling is used to manage the risk of identifying frauds and errors.
- 8.10 Investigations into the 2014-2015 datamatches have identified overpayments totalling £136,149. (A breakdown of these overpayments has previously been reported).

#### 2016/17 Exercise

- 8.11 The 2016/17 exercise commenced on Monday 10<sup>th</sup> October when the mandatory datasets required from the Council were uploaded to the Cabinet Office's NFI website. The reports that are produced as a result of the datamatching exercise will be available to the Council in early 2017.
- 8.12 The value to the Council of the NFI, in addition to the identification and recovery of both fraud and error, is in its role as a deterrent for fraud and as a measure of assurance for the various systems to prevent and detect fraud or loss.

### **9. Tenancy Fraud**

- 9.2 CAFT provides a basic investigative support service to Berneslai Homes to help identify potential fraudulent tenancies. This support has enabled Berneslai Homes to recover a property which was not being used by the tenant as their main home.
- 9.2 A summary of alleged tenancy fraud referrals received for investigation during the period April to June 2016 is shown in the table below.

<b>Details</b>	<b>No.</b>
Alleged non-residency – not pursued no evidence of fraud	7
Alleged application fraud – not pursued no evidence of fraud	1
Alleged fraudulent attempt to succeed tenancy – not pursued no evidence of fraud	3
Allegation of sub-letting - not pursued no evidence of fraud	5
<b>Total</b>	<b>16</b>

- 9.3 Most of the above referrals were received anonymously from members of the public (4 to the Corporate Anti-Fraud Hotline and 3 letters). A further 4 referrals were received via Corporate Fraud Online Referral Forms whilst 5 were referred from Berneslai Homes (3), Benefits, Taxation and Income (1) and Social Services (1).
- 9.4 CAFT have accepted five referrals for further follow-up and the outcomes of these investigations will be reported to the Audit Committee in due course.

### **10. Financial Implications**

- 10.1 Whilst there are no direct financial implications arising from this report there are inherent financial issues concerning anti-fraud and corruption. An increase in controls may have cost implications, both in terms of additional checks, potentially slowing down service delivery, and computer system changes. Those costs have to be balanced against the risk of loss, whether because of fraud or general inefficiency. Any cost implications arising from the need to introduce additional controls and mitigations

will be discussed with management. The emphasis at all times will be to improve controls without increasing costs or jeopardising efficient and compliant service delivery.

## **11. Risk Considerations**

- 11.1 Somewhat obviously, the process prompted by this work is focussed entirely on the effective assessment of fraud risk.
- 11.2 The loss of assets and resources as a result of fraud is included within the Strategic Risk Register.

**Contact Officer:** Head of Internal Audit and Corporate Anti-Fraud  
**Telephone:** 01226 773241  
**Date:** 24<sup>th</sup> November 2016

	Case Description	Result / Outcome
1.	<p><b>Tenancy Fraud</b> – An investigation was instigated following a referral from Berneslai Homes. Concerns had been raised by neighbours that the property was not being used as the tenant's main/sole residence.</p> <p>Financial records obtained using authorised powers under the Prevention of Social Housing Fraud Act supported the allegations of non-residency and the tenant was subsequently invited to attend an interview under caution.</p> <p>The tenant attended the interview but denied that she had parted with possession of the property. Explanations she provided in response to the evidence shown to her were weak. She also stated that neighbours who had provided witness statements confirming non-residency were lying.</p> <p>Having been presented with the evidence the tenant still denied any wrongdoing, but, at the end of the interview enquired how she could end her tenancy.</p>	The tenant submitted a notice to terminate her tenancy later that day and the keys to the property were returned to Berneslai Homes.
2.	<p><b>Right to Buy Application</b> – A referral was received from the Right to Buy Team who were concerned that the tenant had not occupied the property as their sole/main residence for the period of discount claimed (13 years).</p> <p>Checks undertaken by CAFT, including third party data background searches, identified that the tenant, although having a connection to the property, had not been occupied the property as a sole/main residence for the period claimed and subsequently qualified for a smaller discount (5 years).</p>	The tenant was notified of the reduced qualifying discount and the right to buy application was not pursued.

	Case Description	Result / Outcome
3.	<p><b>Council Tax Student Exemption</b> – A referral was received from Benefits, Taxation and Income following the expiry of a student exemption. Whilst cancelling the exemption the officer had noticed some account notes which suggested a second person may be resident in the property.</p> <p>Preliminary investigation checks undertaken by CAFT identified the second person to be the resident's partner.</p> <p>HM Land Registry checks established that the partner was not an owner of the property. However, other records, including financial records, linked the individual to the property.</p> <p>A letter issued to the council tax payer challenging the residency of the partner resulted in a phone call from the taxpayer. When the evidence of residence was put to her, the taxpayer accepted that her partner had lived at the property as his sole/main residence since February 2014.</p>	<p>The student exemption was withdrawn with effect from February 2014 and a 25% student discount applied.</p> <p>This resulted in an adjustment of £1.843.47 being added to the council tax account.</p>

# Item 6

## Report of the Director (Finance, Property and Information Services)

**AUDIT COMMITTEE – 7<sup>th</sup> December 2016**

**STRATEGIC RISK REGISTER – Full Review October 2016**

### **1. Purpose of the Report**

- 1.1 This brief covering note presents the draft Cabinet Report for the latest review of the Strategic Risk Register (SRR), which has been programmed for consideration by Cabinet on the 11<sup>th</sup> January 2017.
- 1.2 This report forms part of the Audit Committee's assurance process where it was agreed that following the completion of each review of the SRR, the Audit Committee considers the latest iteration of the SRR, and where appropriate, provides comment.

### **2. Recommendation**

#### **2.1 It is recommended that the Audit Committee:**

- I. Considers, and comments accordingly on the outcomes of the recent review of the SRR, in relation to the management, challenge and development of the SRR;
- II. Considers whether any further information regarding the SRR review process is required from the Risk and Governance Manager;
- III. Considers whether any further information is required from specific Risk Owners, or Risk Mitigation Action Owners regarding the progress towards managing and mitigating SRR risks; and,
- IV. Confirms whether the Committee wishes to continue to receive periodic updates as to the progress of the actions taken and their impact on the SRR, or whether the Committee requires a deeper level of assurance that could be provided through the provision of a more detailed or focused report.

**Contact Officer:** Risk and Governance Manager  
**Telephone:** 01226 77 3119  
**Date:** 28<sup>th</sup> October 2016

**CABINET – 11<sup>th</sup> January 2017**

**STRATEGIC RISK REGISTER – Full Review October 2016**

**1. Purpose of the Report**

- 1.1 The Strategic Risk Register (SRR) contains those high level risks which are considered to be significant potential obstacles to the overall achievement of the Council's corporate objectives.
- 1.2 Like all risk registers, it is important that the SRR remains up to date and is reviewed regularly in order to accurately reflect the most significant risks to the achievement of corporate objectives and facilitate timely and effective mitigations of those risks.
- 1.3 Following a review of the SRR in March 2016, a further review of the SRR was undertaken in October 2016. The outcomes of that review are detailed in the body of this report.

**2. Recommendation**

**2.1 It is recommended that:**

- i. **Cabinet confirms that the high level strategic risks articulated within the SRR fully reflect the current position of the Council; and,**
- ii. **Cabinet considers the content of this report, and continues to commit to support the Corporate Risk Management process and the embedding of a Risk Management culture within the organisation.**

**3. Introduction and Background**

- 3.1 The Introduction and background to the SRR is now included as Appendix One to this report. This details:
  - The context of the SRR in relation to the broader governance arrangements in place;
  - The importance of the SRR in relation to embedding Risk Management within the Council;
  - The management of the SRR;
  - The content of the SRR; and,
  - The review process to ensure the SRR remains a vibrant and dynamic document;

**4. Risk Profile**

- 4.1 The table below sets out the distribution of the SRR risks across the six concern rating classifications:

Risk Concern Rating	Number of Risks (as at Oct 2016)	Percentage (as at Oct 2016)	Number of Risks (as at Mar 2016)	Percentage (as at Mar 2016)	Number of Risks (as at Oct 2015)	Percentage (as at Oct 2015)
1	0	0%	0	0%	0	0%
2	4	20%	3	16%	2	12%
3	6	30%	7	37%	6	35%
4	9	45%	8	42%	8	47%
5	1	5%	1	5%	1	6%
6	0	0%	0	0%	0	0%
<b>Total</b>	<b>20</b>	<b>100%</b>	<b>19</b>	<b>100%</b>	<b>17</b>	<b>100%</b>

- 4.2 The total number of risks logged in the SRR has increased by one since the last review in March 2016 (risk 3842 - Failure to ensure the transfer of 0-19 services that are coming back into Council control ensure customers remain safe, there is continuous service and that during and after the transition period customers remain safe). This risk is detailed further in section 5.2.4 of this report.

The current review identified two risks that have had their risk concern rating reduced:

- Risk 3024 ('Lack of educational attainment') – was concern rating '3', now logged as concern rating '4': Reflects improvements to GCSE results in Barnsley, that are now above the national average for the first time; and,
- Risk 3034 ('Failure to deliver the MTFS - 'Failure of Future Council to achieve the required level of savings') – was concern rating '3', now logged as concern rating '4': Reflects improved confidence to identify and deliver a sustainable financial strategy.

- 4.3 Details of the average risk category score for the SRR, from the 'zero-based' review in March 2013 are detailed below:

	Period							
	Mar 2013	Oct 2013	Feb 2014	Sept 2014	Feb 2015	Oct 2015	Mar 2016	Oct 2016
Average Risk Concern Rating	3.70 ➔	3.47 ↓	3.47 ➔	3.35 ↓	3.5 ↑	3.47 ↓	3.37 ↓	3.35 ↓

- 4.6 The slight variance in the average concern rating is directly attributable to the identification of risk 3842, detailed in section 5.2.4 of this report.

## 5. Outcomes of the March 2016 Review

- 5.1 The significant outcomes that are detailed in this document focus on:

- Significant / 'Red' Risks; and,
- New / Emerging Risks.

### 5.2 Significant / 'Red' Risks:

- 5.2.1 Risk 3026: Failure to achieve a reduction in health inequalities within the Borough:

Risk:	Risk Owner:
Risk 3026 – Failure to achieve a reduction in health inequalities within the Borough.	Director of Public Health

<b>Consequences:</b>
Health inequalities persist. Life expectancy in Barnsley remains well below the national average. Such health inequalities challenge not just the health and social care services but every one interested in the future prosperity and well-being of the borough. <i>For more information, see Appendix Eight.</i>

As per previous reports, this risk is currently logged as having a 'Concern Rating' of 2. It is important to note that despite this risk having been allocated a 'red' concern rating, it is recognised that population based outcome measures are often slow and difficult to change.

The Risk Mitigation Actions for this risk focus on:

- Developing the Public Health distributed Model to include sector led improvement recommendations;
- Developing the governance arrangements regarding the Public Health Strategy to ensure Service Directors are held to account for public health outcomes vested with Business Units;
- Identification of priority areas regarding the use of the Public Health Grant; and,
- Developing options regarding innovative commissioning and partnership working with the CCG regarding pooled budgets.

5.2.2 Risk 3792: Failure to be prepared to assist in the event of an emergency resilience event in the region:

<b>Risk:</b>	<b>Risk Owner:</b>
Risk 3792 – Failure to be prepared to assist in the event of an emergency resilience event in the region.	Director, Human Resources, Performance and Communications
<b>Consequences:</b>	
Recent emergencies relating to industrial actions and flooding proves there is still an inappropriate reliance on the increasingly limited resources of the HS&ERS to manage and lead on the management of emergency events. <i>For more information see Appendix Eight.</i>	

The Risk Mitigation Actions for this risk focus on:

- Providing SMT with improvement opportunities to consider in terms of resourcing and pump-priming;
- Working with Information Services to assist in identifying IT related business continuity issues within individual Business Units; and,
- Liaison with colleagues within Environment and Transport regarding community flood resilience plans.

5.2.3 Risk 3793: Failure to ensure that appropriate disaster recovery arrangements are in place to ensure the Council is able to recover in the event of a business continuity threat or incident:

<b>Risk:</b>	<b>Risk Owner:</b>
Risk 3793 – Failure to ensure that appropriate disaster recovery arrangements are in place to ensure the Council is able to recover in the event of a business continuity threat or incident	Director, Finance, Assets and IS
<b>Consequences:</b>	
In the event of a business continuity threat the Council will be unable to recover in an effective manner resulting in lost time and resources. Inability for customers to be able to access services	

and a lack of access to IT systems to enable employees to undertake their duties effectively.  
*For more information see Appendix Eight.*

The Risk Mitigation Actions for this risk focus on:

- Working with the Health, Safety and Emergency Resilience Unit to assist in identifying IT related business continuity issues within individual Business Units;
- Formalising and testing plans; and,
- Developing agreements for out of hours support.

5.2.4 Risk 3842: Failure to ensure the transfer of 0-19 services that are coming back into Council control ensure customers remain safe, there is continuous service and that during and after the transition period customers remain safe:

<b>Risk:</b>	<b>Risk Owner:</b>
Risk 3842 – Failure to ensure the transfer of 0-19 services that are coming back into Council control ensure customers remain safe, there is continuous service and that during and after the transition period customers remain safe	Director Public Health
<b>Consequences:</b>	
Poor quality of services affecting customers health and missed identification of issues and concerns by professional employees resulting in a breach of safeguarding arrangements affecting wellbeing of customers; Increased likelihood of HR disputes resulting in potential strike action; The transition of the service has unfortunately created a one off pressure of £0.442M which has been subsumed within the overall plan; <i>For more information see Appendix Eight.</i>	

### 5.3 New / Emerging Risks:

Details of risk 3842 ('Failure to ensure the transfer of 0-19 services that are coming back into Council control ensure customers remain safe, there is continuous service and that during and after the transition period customers remain safe') have been detailed within section 5.2.4 of this report.

5.4 Details of the risks logged on the SRR that have improved since the last review are logged in Appendix Two to this report.

5.5 There are no risks logged on the SRR that that have worsened since the last review of the SRR.

5.6 There are no risks logged on the SRR that are proposed to be closed since the last review of the SRR.

5.7 Details of all SRR risk concern ratings, including a direction of travel indicator to provide details of the 'trend' of the SRR risk profile are included as Appendix Three to this report.

## 6. **Risk Mitigation Actions**

6.1 Appendix Four details the completed risk mitigation actions following the October 2016 review.

6.2 There are no risk mitigation actions logged on the SRR that have been allocated a 'red' status following the October 2016 review.

6.3 Appendix Five details those risk mitigation actions that are new following the October 2016 review.

## **7. Other Significant Changes to the SRR**

- 7.1 Other significant changes to the SRR have been highlighted in bold text, and included within Appendix Six of this report.

## **8. Assurance**

- 8.1 This report and the SRR (which is attached to this report as Appendix Six) itself will be submitted to the Audit Committee at their meeting of 7<sup>th</sup> December 2016, in order to provide assurances that these significant risks are being managed appropriately.
- 8.2 The Audit Committee have expressed a clear interest in receiving assurance from Cabinet that appropriate challenge and scrutiny of corporate risk management arrangements take place, and engagement with significant risks through reports on the SRR will be a key source of assurance. The Audit Committee will be informed of the outcomes of Cabinet's consideration of the SRR.

## **9. Future Review of the SRR**

- 9.1 Future review of the SRR are now programmed with other governance related reports such as those relating to Corporate Finance and Performance Management in order for Cabinet to receive and consider these governance related reports as a broad suite of documents.

## **10. Delivering Corporate Plan Ambitions**

- 10.1 The SRR lists those significant risks which could impact upon the delivery of the Council's priorities and objectives, as set out in the Council's Corporate Plan. Risks within the SRR are directly linked to the Corporate Plan in order to ensure that the register is focused upon those risks which are considered to be significant potential obstacles to the achievement of corporate objectives.

## **11. Risk Management Issues**

- 11.1 The report focuses on the further development of the SRR and the contribution this will make to the embedding of a risk management culture throughout the Council.
- 11.2 Failure to develop the SRR will present a significant risk to the successful implementation of the required Risk Management culture within the Council.

## **12. Financial Implications**

- 12.1 There are no specific financial implications arising directly from this report, although there is often a cost in taking (or not taking) specific action that was identified through the risk management process. Most individual Cabinet Reports have financial implications and so the application of good risk management practices is vital to ensure the most effective use of resources.

## **13. Appendices**

<b>Appendix One:</b>	<b>SRR Introduction and Background</b>
<b>Appendix Two:</b>	<b>Improved SRR Risks</b>
<b>Appendix Three:</b>	<b>Direction of Travel / Trend Report</b>
<b>Appendix Four:</b>	<b>Completed Risk Mitigation Actions</b>

**Appendix Five: New Risk Mitigation Actions**  
**Appendix Six: Full SRR as at October 2016**

**14. Background Papers**

- 14.1 Various papers and electronic files and risk registers are available for inspection at the Westgate Plaza One offices of the Council.

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**Date: 28<sup>th</sup> March 2016**

### 1. Introduction

- 1.1 The embedding of a culture where Risk Management is considered a part of normal business process is crucial to the delivery of the Risk Management Policy and Strategy and the implementation of good governance arrangements.
- 1.2 A robust and dynamic SRR sets the culture and tone for Risk Management across and throughout the Council. The engagement of the Senior Management Team (SMT) in the Risk Management process through their ownership and review of the SRR demonstrates a strong commitment to lead and champion Risk Management 'from the top' and to further reinforce the continuing development of a Risk Management culture.
- 1.3 The risks in the SRR are owned by SMT, with the management of individual risks being allocated to a Risk Manager (a member of SMT) and measures to mitigate risks allocated to Risk Mitigation Action Managers (being those senior managers best placed to take responsibility to drive the implementation of those actions).
- 1.4 SMT is also responsible for ensuring that the SRR continues to express those high level risks which have a significant bearing upon the overall achievement of corporate objectives and that they are being appropriately managed.
- 1.5 In order to provide assurances that the SRR is being appropriately managed, reviews of the register are facilitated by the Risk and Governance Manager on a six monthly cycle. The results of these reviews are then presented to the Council's Directorate Risk Champions, and reported to SMT for further consideration and challenge. The outcomes of these processes are then reported to the Audit Committee, and subsequently, Cabinet.
- 1.6 This report provides a summary to Cabinet of the recent review, and highlights specific issues and actions for consideration. This ensures Senior Elected Members are aware of the SRR and can contribute to its development. The consideration of the SRR by Cabinet also contributes towards the role of Elected Members in assisting in the development of strategy and contributing to the identification of high level strategic risks, rather than simply monitoring the management of the Risk Management process.

### 2. Background and Context to the March 2016 Review

- 2.1 The review that has recently been completed is the fifth review of the SRR, which was significantly refreshed, following a 'zero-based' review of the SRR in March 2013.
- 2.2 The current review included:
  - **Consideration of the current expression of the Risk:**  
Risk Owners are encouraged to consider risks in terms of Event > Consequence > Impact, and these are logged within the 'Risk Title' and 'Risk Consequences' fields.
  - **Consideration of links between Corporate Priorities, Outcomes and Risks:**  
Each Risk is clearly linked to a Corporate Priority, and these are logged in the 'Priority' field.

Clear links between Corporate Outcomes and Risks have been identified and logged in the 'Existing Control Measures' field, to demonstrate the relevance of risks to the Council's performance management framework.

▪ **Consideration of the level of 'Concern' for each Risk:**

Clearly, all risks logged in the SRR are significant. A 'traditional' quantitative risk assessment of all SRR risks has been undertaken, and all of the risks logged in the SRR have been assessed as being 'red' due to their high rating in terms of probability and / or impact.

Whilst risk mitigation actions are in place, and efforts are being made to ensure the intended benefits of such risk mitigation actions are realised, the actual positive impact of these mitigations can often be hard to express in terms of the risk assessment itself, and ultimately, what are contextually small positive impacts on such significant risks may simply result in the *maintenance* of the assessment, rather than actually *improving* it.

As part of the 'zero-based' review of the SRR in March 2013, the use of a 'Concern Rating' was implemented. This qualitative assessment gives the Risk Owner, or SMT collectively, the opportunity to consider the following dynamic elements of the risks, rather than focusing on the traditional probability and impact based assessments:

Concern Rating	Description
<b>1 - Red</b>	Little confidence the Risk can be improved; Unachievable Objective; Difficult to Influence; or, Out of Tolerance.
<b>2 - Red</b>	Concern is between Rating 1 and Rating 3.
<b>3 – Amber</b>	Some confidence the risk can be improved; Moderately achievable Objective; Possible to Influence; or, Barley Tolerable.
<b>4 – Amber</b>	Concern is between Rating 3 and Rating 5.
<b>5 – Green</b>	Confident the Risk can be improved; Achievable Objective; Easily Influenced; or, Tolerable.
<b>6 – Green</b>	Concern Rating is less than 5.

▪ **Consideration regarding *existing* Risk Mitigation Actions, as well as consideration of any *new* Risk Mitigation Actions:**

Each risk mitigation action is allocated a red, amber or green rating, on a similar basis as the Risk Concern rating. Risk mitigation action owners are asked to provide an assessment as to the overall progress and achievement of each of these actions. Of note is the fact that some risks may be logged as being 'amber' or in some circumstances, 'red' in terms of the overall 'Concern Rating', but risk mitigation actions may be logged as 'green'. The implication of this is that the actions being taken are on track, but due to factors such as the 'long-tail' nature of some risks, the action may be something that is aimed at *maintaining* the risk, rather than *improving* it.

Similarly, some risks may be logged as having a 'Concern Rating' of 'green', with actions logged as being 'amber' or in some circumstances, 'red'. This reflects that whilst the risk itself may be acceptable, the actions themselves may be less so. In these circumstances, attention should be given to ensuring the action is resourced to ensure it is able to deliver the intended outcomes. This is in addition to the '% complete' field which is included within the register.

- **Consideration of Future Council Activity:**

As part of the current review, SRR Risk Owners were asked to consider the implications of the transition to the Future Council model, in terms of the ownership and positioning of the risk, along with any issues arising that may affect the delivery of risk mitigation actions.

- 2.3 Consideration was also given during each update meeting with Risk Owners regarding any new or emerging risks that should be considered, or any risk areas that may be developing that could influence the consideration of exiting risks.

## Appendix Two: Improved SRR Risks

Risk Number	Risk Name	Reason for Improvement
3024	Lack of educational attainment	This decrease from concern rating '3', to concern rating '4' reflects improvements to GCSE results in Barnsley, that are now above the national average for the first time.
3034	Failure to deliver the medium Term Financial Strategy ('Failure of the Future Council to deliver the required level of savings')	This decrease from a concern rating of '3' to '4' reflects improved confidence to identify and deliver a sustainable financial strategy.

### Appendix Three: Direction of Travel / Trend Report

Risk Number	Risk Title	Oct 2016	Mar 2016	Sept 2015	Feb 2015	Sept 2014	Feb 2014	Oct 2013	June 2013
3021	Failure to build the Economy of Barnsley	Closed -	Closed -	Closed -	Closed -	3 ⇕	3 ⇕	3 ⇕	3 -
3022	Inability to direct Corporate Strategy	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 -
3023	Failure to engage with Stakeholders	3 ⇕	3 ⇕	3 ⇕	3 ↑	2 ↓	3 ⇕	3 ⇕	3 -
3024	Lack of Educational Attainment	4 ↑	3	3 ↓	4 ⇕	4 ⇕	4 ⇕	4 ↑	3 -
3025	Failure to Safeguard Vulnerable Service Users	3 ⇕	3 ↑	4 ⇕	4 ⇕	4 ⇕	4 ⇕	4 ⇕	4 -
3026	Failure to achieve a reduction in health inequalities within the Borough	2 ⇕	2 ⇕	2 ⇕	2 ⇕	2 ⇕	2 ⇕	2 ⇕	2 -
3027	Failure to manage Organisational Change ('Risk of destabilisation of the Organisation')	5 ⇕	5 ⇕	5 ⇕	5 ⇕	5 ⇕	5 ⇕	5 ⇕	5 -
3028	Workforce planning issues	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ↓	4 -
3029	Failure to Safeguard Information	4 ⇕	4 ⇕	4 ⇕	4 ↑	3 ⇕	3 ⇕	3 ↓	4 -
3030	Failure to be prepared for an emergency response or business continuity threat	Closed -	Closed -	2 ⇕	2 ⇕	2 ↓	3 ⇕	3 ↓	4 -
3031	Strategic Performance, Governance or Compliance failure	4 ⇕	4 ⇕	4 ⇕	4 ⇕	4 ⇕	4 ⇕	4 ⇕	4 -
3032	Failure of Partnership Working / Supply Chains	Closed -	Closed -	Closed -	Closed -	4 ⇕	4 ⇕	4 ⇕	4 -
3033	Failure to adapt the Authority into a sustainable organisation ('Failure to maintain current Services)	4 ⇕	4 ⇕	4 ⇕	4 ↑	3 ⇕	3 ⇕	3 ↓	4 -
3034	Failure to deliver the Medium Term Financial Strategy ('Failure of the Future Council to be able to deliver the required level of savings')	3 ↑	3 ↓	4 ↓	5 ⇕	5 ⇕	5 ⇕	5 ⇕	5 -
3035	Loss of assets and resources as a result of one-off incident of fraud / corruption / bribery or a sustained or widespread occurrence	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ↓	4 ⇕	4 ↓	5 -
3047	Failure to protect the population from preventable health threats	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 ⇕	3 -
1630	Equal Pay Claims	Closed -	Closed -	Closed -	3 ⇕	3 ⇕	3 ⇕	3 ↑	2 -
3514	Failure to be able to deliver the ambitions and outcomes associated with the Customer Service Organisation (CSO) Programme	4 ⇕	4 ⇕	4 ⇕	4 -	-	-	-	-
3543	Failure to ensure the adequate supply of land for housing and commercial property growth	4 ⇕	4 ⇕	4 ↑	3 -	-	-	-	-
3699	Failure to ensure the Council's commercial / trading arm is effective in its operations, and is a well governed organisation	4 ⇕	4 ⇕	4 -	-	-	-	-	-

Risk Number	Risk Title	Oct 2016	Mar 2016	Sept 2015	Feb 2015	Sept 2014	Feb 2014	Oct 2013	June 2013
3792	Failure to be prepared to assist in the event of an emergency resilience event in the region	2 ⇅	2 -	-	-	-	-	-	-
3793	Failure to ensure that appropriate disaster recovery arrangements are in place to ensure the Council is able to recover in the event of a business continuity threat or incident	2 ⇅	2 -	-	-	-	-	-	-
3794	Failure to ensure the governance arrangements underpinning and controlling the emerging City Region Deal Devolution Deal enable an appropriate blend of risk and reward for the Council	4 ⇅	4 -	-	-	-	-	-	-
3842	Failure to ensure the transfer of 0-19 services that are coming back into Council control ensure customers remain safe, there is continuous service and that during and after the transition period customers remain safe	2 -	-	-	-	-	-	-	-

## Appendix Four: Completed / Closed Risk Mitigation Actions

Risk Number	Risk Name	Risk Mitigation Action
3543	Failure to ensure the adequate supply of land for housing and commercial property growth	Quarterly Developer Forums (16/17)
3024	Lack of educational attainment	Children and Younger Peoples Plan 2016 – 2019: Being refreshed to adoption by TEG and Cabinet with aspirational targets Revised approach to assessing performance in schools developed and now requires embedding
3025	Failure to safeguard vulnerable service users	(11) Anti-Poverty: Anticipating significant impacts following CSR in Autumn 2015; development of a Community Supermarket - reports drafted and partners committed to project. Need to unpick issues regarding Community Asset transfer. (8) Stronger Barnsley Together: Programme infrastructure is to be updated, and will include a different approach, standing down and rationalising some structures and rebranding as 'Community Wellbeing', Actions Plan to be considered by OSC prior to Cabinet in September 2015. Consolidation of Adults Social Care peer review Action Plan - reported to Members on progress and outstanding actions Refresh of 'Making Safeguarding Personal' programme
3026	Failure to achieve a reduction in Health inequalities within the Borough.	Investigation into issues raised by CCG regarding pooled budgets and the potential impact on vulnerable groups such as 0-5 services, health visitors and substance misuse services as a result of funding voids - developing options regarding innovative commissioning and partnership working
3023	Failure to engage with stakeholders	Refresh of Health and Wellbeing Strategy to improve Health and Wellbeing Board governance arrangements Review of engagement and participation arrangements as part of the Health and Wellbeing Strategy refresh
3793	Failure to ensure that appropriate disaster recovery arrangements are in place to ensure the Council is able to recover in the event of a business continuity threat or incident	Development of a formalised agreement for out of hours support for areas such as Helpdesk
3029	Failure to safeguard information	Phase 2 of Information Security Programme - roll out of guidance and training to partners such as BH, Bull, NPS etc. - BH and Bull completed, NPS and Norse in development - phishing training now in place and is mandatory for all employees Risk based Action Plan developed (following review of IT architecture) being delivered (all 'red' actions complete) Consideration of Cloud based infrastructure (on a case by case basis) to

Risk Number	Risk Name	Risk Mitigation Action
		progress and enable a proportionate Electronic Content Management System - paper to SMT approved and SharePoint is preferred supplier - SMT Sponsor (ED Place) confirmed
3514	Failure to be able to deliver the ambitions and outcomes associated with the Customer Services Organisation Programme (CSO)	<p>Restructure and consolidation of programme resources into permanent structure completed 01/04/2015 as part of Future Council implementation. Two year fixed term Programme Management resource agreed at Board - to be recruited to support delivery of next phases. IT Projects support to be committed from within wider ICT envelope of resources following transfer of TCL staff back to the Council.</p> <p>Seek assurances regarding the review by services / business units as to how they intend to adopt and embed Customer Services activities within their individual business units - business planning cycle now complete - BLT to undertake challenge and identify significant issues that may arise before 2021</p>
3699	Failure to ensure the Council's commercial / trading arm is effective in its operations, and is a well governed organisation	<p>Consideration of pump-priming opportunities to ensure the right resources and infrastructure is in place to sustain meaningful commercial / trading activities</p> <p>Development of processes to enable the support services recharges to be clear and transparent within future bids or tenders that may be made by the trading company</p>

## Appendix Five: New Risk Mitigation Actions

Risk Number	Risk Name	Risk Mitigation Action
3025	Failure to safeguard vulnerable service users	Stronger Community Partnership includes Anti-Poverty sub-group which benefits from Delivery Action Plan which is reportable and accountable to the Health and Wellbeing Partnership 16/17
		Stronger Community Partnership (multi agency) established to deliver improvements in early intervention and prevention 16/17
		Adults Safeguarding - development of outcome based Performance Framework
		Second review of TOM - phase 2 action plan in development
3023	Failure to engage with stakeholders	Refresh of Community Engagement Strategy that underpins Stronger Communities Partnership and Community Safety Partnership (council, not multi-agency)
3793	Failure to ensure that appropriate disaster recovery arrangements are in place to ensure the Council is able to recover in the event of a business continuity threat or incident	Development of a formalised agreement for out of hours support for areas such as Helpdesk
3022	Inability to direct corporate strategy	Monitor and review the implementation and effectiveness of revised Contract Procedure Rules to deal with commissioning of internal services from Area Council budgets (16/17)
3028	Workforce Planning issues	Refresh of Corporate Plan to align it to 2020 outcomes - will also include a review of the Future Council Strategy which will join up the Future Council Strategy to the Workforce Development Strategy and also ensure the Future Council Improvement and Growth Strategy is more aligned to resourcing and financial influences
3029	Failure to safeguard information	Removal of Citrix from personal computers due to PSN constraints - due July 2017
		Review of IG Toolkit - aiming for L3 compliance in 2017/18
		ICT systems access system access, review policy and simplify process for new starters, movers and leavers
		Information flow mapping activities to ensure compliance with General Data Protection Regulations 2018
3514	Failure to be able to deliver the ambitions and outcomes associated with the Customer Strategy Implementation Programme	Delivery of Customer Strategy Implementation Programme, including the appropriate consideration of risk at project level, and the escalation of significant risks to the CSI Delivery Group and subsequently the FC Improvement and Growth Board (16/17)
3794	Failure to influence the governance arrangements	Ensuring that the Authority is able to learn from its experiences in terms of

Risk Number	Risk Name	Risk Mitigation Action
	underpinning and controlling the emerging City Region Deal Devolution Deal enable an appropriate blend of risk and reward for the Council	<p>conflicts that may have arisen and identifying areas of potential improvement in terms of how conflict are identified, handled and addressed (16/17)</p> <p>Focused de-brief following significant interaction with CA i.e. J36 development (including BLT development sessions)</p>
3842	Failure to ensure the transfer of 0-19 services that are coming back into Council control ensure customers remain safe, there is continuous service and that during and after the transition period customers remain safe	Refer to detailed risk mitigations within the Risk Register for BU 10 (Public Health) (16/17)

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Strategic Risk Register - as at October 2016													
Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Feb-15	Oct-15	Mar-16	Oct-16	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
3543	Failure to ensure the adequate supply of land for housing and commercial property growth	<p>There are some important opportunities that Barnsley needs to exploit in order to ensure that it continues to meet its economic growth aspirations. These include the delivery of good quality and affordable housing and a range of commercial property. Underpinning this includes the potential offered through the delivery of superfast broadband, the use of low carbon technology and the scope to improve the area's visitor economy through better operation of its cultural assets (to attract visitors and spend) which will add to the overall viability of such housing and commercial schemes.</p> <p>In order to address the challenges and to maximise these and other opportunities, it will be essential to work in partnership with a variety of stakeholders to deliver a suite of priorities and key interventions, complete major regeneration projects, target both housing growth and business development and growth, and link new and existing jobs more effectively to local people.</p> <p>There are financial pressures making the delivery of the Local Plan difficult, but the positioning in two city regions (Leeds and Sheffield) provides opportunities to identify and maximise funding from these sources.</p>	SMT SMT	<p>Local Plan</p> <p>Working with Sheffield City Region regarding SCRIF funding to facilitate the development of Strategic Business Park infrastructure;</p> <p>Housing Strategy 2014 - 2033 outlines the Council's ambitions for regeneration and building in the region and relies on the Local Development Plan to identify and obtain land, and SCR and LCR to assist in building developments;</p> <p>SY Superfast Broadband programme which is intended to improve the infrastructure in the Borough, to benefit both commercial and residential stakeholders;</p> <p>Property Investment Fund set up to facilitate the identification of land to build speculative developments to aid commercial growth;</p> <p>Enterprising Barnsley schemes focusing on attracting inward investment, investing in infrastructure, growing existing businesses and encouraging higher activity start ups;</p> <p>Skills Plans completed;</p> <p>Other strategies in place include Jobs and Business, Transport and Employment and Skills that aim to make the Borough a thriving and unique place to live, work, visit and trade;</p> <p>Local Plan consultation extended, due to the inclusion of new development sites, and is due to be reported back to Cabinet in September 2015;</p> <p>Positive approach to planning applications for housing on sustainable non-Green Belt sites that are yet to be allocated;</p> <p>Overview and Scrutiny Taskand Finish Group considered Skills and Jobs in 2016/17;</p> <p><b>Planning applications being dealt with in appropriate timescales contributing to strong relationship with Planning Board; Quarterly Developer Forums in place;</b></p> <p>Outcomes:</p> <p>Create more and better jobs and good business growth (GREEN)</p> <p>Increase skills to get more people working (AMBER)</p> <p>Develop a vibrant Town Centre (GREEN)</p> <p>Strengthen our visitor economy (GREEN)</p> <p>Create more and better housing (AMBER)</p> <p>Protecting the Borough for future generations (AMBER)</p>	3	4	4	4	Progression of Devolution Deal - development of deal, consideration of impacts, strategic planning and governance issues and the duty to engage constructively, actively and on an ongoing basis in relation to planning of sustainable development - BMBC signed Devolution Agreement and was considered by Full Council in March 2016. <b>Likely to be devolved funding opportunities and extra powers in respect of land development opportunities - also need to consider whether there are any benefits in developing a regional 'LDF' to sit above BMBC's borough-wide LDF</b>	Matt Gladstone	75% Amber	31/03/2017	
									Development of SCR infrastructure plan - <b>to be signed by CA which will begin infrastructure commissioning processes</b>	Matt Gladstone	90% Green	31/03/2017	
									Refresh of Local Plan and approval by Cabinet in March 2016 (this will confirm the allocation available for the Goldthorpe scheme) - <b>Consultations complete with a further report to Cabinet in November 2016 followed by consideration by Planning Inspectorate in December 2016 which will then identify a date for public examination (likely to be March 2017)</b>	Matt Gladstone	80% Green	31/03/2017	
									Delivery of 3 year SCRIF programme (2015-18) : J36 BP: Business Plan in place, funding agreement to sign, Tenders ready; J37 BP: Impact Assessment to be submitted May 16, viability work ongoing, pinchpoint scheme completed; Goldthorpe: Impact Assessment approved, awaiting on Local Plan allocation	Matt Gladstone	75% Green	31/03/2017	
3024	Lack of educational attainment	<p>Negative impact on pupils and parents in terms of health, economic, employment and life choices;</p> <p>Negative OFSTED inspection findings;</p> <p>Failure to meet DfE targets for educational attainment;</p> <p>Damage to reputation through poor performance in published league tables compared to the national average, and in poor inspection outcomes;</p> <p>Reputational damage from press;</p> <p>Potential adverse Annual Performance Assessment;</p> <p>Intervention by DfE;</p>	SMT SMT	<p>Performance Management Framework;</p> <p>CYPF Policies and Strategies;</p> <p>Close monitoring of Government grade boundaries to ensure the Authority remains aware of changing or improving performance targets;</p> <p>Barnsley Alliance established and reports to DMT and SMT;</p> <p>Work with the Barnsley Governors Association to ensure strong governance within schools;</p> <p>School Evaluation Team works to monitor, challenge and intervene in schools to improve standards and outcomes;</p> <p>Children and Younger People's Plan 2016 - 19 being refreshed and will be adpoted by the TEG and Cabinet;</p> <p>As at April 2016 the gap has narrowed with national Early Years, Primary and Secondary settings;</p> <p>Looked-After children's attainment included as part of central OFSTED inspection;</p> <p>Coprorate Parenting role;</p> <p>Overview and Scrutiny consider Educational Attainment on an annual basis;</p> <p><b>Children and Younger People's Plan 2016 - 2019 refreshed and adopted by TEG and Cabinet with aspirational targets;</b></p> <p><b>Revised approach to assessing performace in schools developed and embedded;</b></p> <p><b>GCSE results in Barnsley above national average for first time ever;</b></p> <p>Outcomes:</p> <p>Every child attends a good school (AMBER)</p> <p>Early targeted support for those that need it (GREEN)</p>	4	3	3	4	<p>Barnsley Alliance Plan being developed prior to submission to Cabinet in November 2016</p>	Rachel Dickinson	95% Green	31/03/2017	
Development of SEND strategy to meet the Council's accountability requirements - to be discussed at TEG - <b>strategy in final stages of development</b>	Rachel Dickinson	95% Green	31/03/2017										
Corporate Parenting Panel - delivery of Service Improvement Plan which is monitored by the Safeguarding Governance Board and reported to Education Steering Group chaired by Cllr Cheetham - <b>governance structures for 'virtual school' in place - monitor and review arrangements 16/17</b>	Rachel Dickinson	75% Green	30/09/2016										

Strategic Risk Register - as at October 2016													
Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Feb-15	Oct-15	Mar-16	Oct-16	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
3025	Failure to safeguard vulnerable service users	<p>The risk of not safeguarding vulnerable children, adults and families who are either known or not known to the service;</p> <p>The risk is greatly enhanced due to a 98% increase in referrals within the Borough in recent years which is affecting the ability to properly manage cases, which could result in a significant case being missed;</p> <p>Changes in demographics mean there are more 'older-older' people which means an increased demand for services;</p> <p>As increased pressure mounts to reduce budgets / spending, there will be a likely increase in demand for assistance, intervention and help from service users who are also under significant financial pressure;</p> <p>Better care at an young age for those with physical or other forms of disability means life expectancy increases which puts further pressure on Adult Services;</p> <p>Arrangements are not sufficient to keep children and young people safe from harm, abuse or neglect;</p> <p>National and local child abuse enquiries affecting public confidence and reputation of local authorities and other agencies;</p> <p>The risk is compounded by whether or not the children at risk are known to the service;</p> <p>The system that delivers to children, young people and families is increasingly complex. Complexity arises from a number of factors; the number of partners with responsibilities for commissioning and/or delivering services to vulnerable children; the changing legislative, policy and financial landscape; the different mechanisms for partnership working to align delivery and test the effectiveness of services; the potential for changes within the workforce at operational levels and strategic levels;</p>	SMT SMT	<p>Adults Safeguarding Board;</p> <p>Barnsley Safeguarding Children Board;</p> <p>Service Delivery Plans / Business Plans;</p> <p>Risk enablement built into Personalisation – management of Personalisation / Personal Care packages that require less regulated services, makes better use of commissioning resources and ensures people are better placed to look after themselves;</p> <p>Service Improvement Plan (Children's) developed to deliver OFSTED Safeguarding Recommendations;</p> <p>Sign-posted Universal Information and Advice;</p> <p>Safeguarding Scrutiny Committee formed May 2015 (was Children's Services Scrutiny Board) with workplan in place;</p> <p>Monitoring of Barnsley Safeguarding Children Board and Adults Safeguarding Board Risk Registers;</p> <p>Improved Ofsted judgement;</p> <p>Review of 'Front door';</p> <p>Promotion of use of CAF/Early Help Assessments;</p> <p>Safeguarding Board includes CSE Strategic Group which reports directly to the Safeguarding Board;</p> <p>Opportunities to undertake Lessons Learnt reviews are fully exploited by the Safeguarding Board (including regional and joint learning);</p> <p>Action Plan developed using OFSTED inspection framework;</p> <p>Restructuring for Future Council complete;</p> <p>Stronger Communities Programme in place;</p> <p>Governance arrangements in place which includes the overseeing of the Executive Group being overseen by H&amp;WB Board;</p> <p>Continuous Service Improvement Framework developed;</p> <p>Implementation and management of Personal Budgets programme, including building 'risk-enablement' into services users in place;</p> <p>Analysis of national guidance issued and full review now complete and new operating model is in place;</p> <p>Local Welfare Scheme established;</p> <p>Early Help for Adults delivery group in place;</p> <p>Peer review regarding Early Help completed - Early Help Action Plan monitored through Early Help Strategic Group;</p> <p>SY Safeguarding Procedures and production of Annual Report;</p> <p>Performance Quality Management Framework in place;</p> <p>Member briefings for Children's and Adults;</p> <p>Implemented IA recommendations regarding Casey improvements;</p> <p>Safeguarding Scrutiny Committee - annual topics;</p> <p>Private Member briefings in place;</p> <p>Refresh of Adults Safeguarding Board arrangements and sub-structures including Anual Reporting arrangements and production of Business Plan;</p> <p>Review of Target Operating Model (TOM);</p> <p>Adults Social Care Peer review - outstanding actions consolidated into Business Plan;</p> <p>Making Safeguarding personal programme - outstanding actions consolidated into Business Plan;</p> <p>Outcomes:</p> <p>Children and Adults are safe from harm (AMBER)</p>	4	3	3	3	Stronger Community Partnership includes Anti Poverty sub-group which benefits from Delivery Action Plan which is reportable and accountable to the Health and Wellbeing Partnership 16/17	Wendy Lowder	60% Green	31/03/2017	
									Stronger Community Partnership (multi agency) established to deliver improvements in early intervention and prevention 16/17	Wendy Lowder	60% Green	31/03/2017	
									Adults Safeguarding - development of outcome based Performance Framework	Rachel Dickinson	10% Green	31/03/2017	
									Second review of TOM - phase 2 action plan in development	Rachel Dickinson	10% Green	31/03/2017	

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3026	Failure to achieve a reduction in Health inequalities within the Borough.	<p>Health inequalities persist. Life expectancy in Barnsley remains well below the national average and varies between different parts of the borough. Although life expectancy has increased, the gap between Barnsley and the rest of the country has continued to widen. Such health inequalities challenge not just the health and social care services but every one interested in the future prosperity and well-being of the borough. It is unacceptable that people's health and quality of life varies so much with the sort of work they do or where they live.</p> <p>The cost of health inequalities is borne not just by health and social care services and, of course, parents, carers and children, but by employers and the local economy.</p> <p>Good health is essential to the borough's economic regeneration. Healthy people are less likely to be socially excluded and more likely to be in work. Healthy children are more likely to do well at school.</p> <p>All the available evidence shows that health is closely associated with people's standard of living, occupation, level of education and where they live - there are significant differences in terms of average life expectancy depending on where in the Borough one resides;</p> <p><b>Reduced 'Healthy Life Expectancy' (a population health measure that combines age-specific mortality with morbidity or health status to estimate expected years of life in good health for persons at a given age in the Borough);</b></p>	SMT SMT	<p>Director of Public Health in post to provide leadership; Liaison with Clinical Commissioning Group (CCG) and GPs to ensure that the right services are being commissioned; Joint Strategic Needs Assessment (JSNA) undertaken to ensure an appropriate understanding of the requirements of the population of Barnsley; Health and Wellbeing Strategy identifies six key objectives - and within these, it is acknowledged that it is impossible to 'try and do everything' - the objectives and key deliverables identify the significant areas of concern; Oversight of Health and Wellbeing Strategy provided by partnering organisations and agencies that are best placed to deal with the issues (health - hospital, alcohol - police etc); Six-monthly reports to Health and Wellbeing Board; Structure and procedures in place - need to assess impacts / benefits to identify effectiveness; H&amp;WB Board established JSNA undertaken and programme boards now in place; Public Health now intergrated into BMBC - Public Health Development Programme established; <b>Public Health Strategy agreed;</b></p> <p>Outcomes: People are happier, healthier, independent and active (AMBER)</p>	2	2	2	2	Public Health Strategy and Implementation Plan developed to enable DPH to hold Service Directors to account regarding health outcomes that are now vested with service areas - Strategy developed and presented to SMT, H&WB Board and Cabinet - now developing action plans and key milestones in terms of delivery - 3 key action plans in draft format with developing governance arrangements - <b>been considered by H&amp;WB Board - now being progressed and references Sustainability Transformation Plan (STP) - Tobacco and Alchohol prevention plans link to STP and the local Barnsley Plan feeds into this also</b>	Julia Burrows	30% Green	31/03/2017	Revisions to policy - liaise with Leader, PH spokesperson and Cheif Executive - consideration of 'call to action'
									Delivery of Public Health 'distributed model' including the monitoring and reviewing of impacts and outcomes on Future Council - distributed model to include sector led improvement recommendations which are to be considered by SMT - <b>needs some further refinement in 2016</b>	Julia Burrows	40% Green	31/03/2017	
									Internal governance and assurance arrangements for the use of the Public Health Grant across the Council are necessary to assure PH England and the Department of Health that the grant is being used to improve public health outcomes – indicators in place and agreed across Directorates. Priority areas for PH grant being identified and developed.	Julia Burrows	50% Green	31/03/2017	
3047	Failure to protect the health of the population from preventable health threats.	Failure to protect health and population against preventable disease by ensuring appropriate levels of vaccination, immunisation and screening.	SMT SMT	<p>Liasion with NHS regarding large scale response; Health Protection Agency Framework in place; Maintenance of World Health Organisation targets; Overview and Scrutiny Task and Finish Group considered vaccination, immunisation and screening issues during 2014/15; Currently Barnsley has above average coverage regarding public health related screening; Use of NHS England website and resources; Health Protection Assurance paper to Cabinet 12/02/2014; Health Protection Board established; Transition into BMBC complete; <b>BMBC DPH is co-chair of Local Health Resilience Partnership;</b></p>	3	3	3	3	Monitoring of Health Protection Board (HPB) to ensure any system issues associated with working with CCG and partners are identified and addressed - ongoing discussions with CCG regarding Health Protection arrangements. HPB established – good engagement from partners and proportionate systems are in place. Emerging links with Emergency Planning developing.	Julia Burrows	50% Green	31/03/2017	
									Liaison with Public Health Communicable Disease representative - need to update key plans and report these to the Health Protection Board	Public Health	25% Amber	31/03/2017	
3023	Failure to engage with stakeholders	<p>Non ability to explain Authority's position and / or public relations. Failure to communicate effectively with community/stakeholders. Lack of proper engagement with stakeholders, at the right level, and at the right time. Loss of confidence in ability to deliver services or respond to problems. Lack of community support which prevents and / or hinders improvement or effective implementation of change. High expectation of service delivery and resource availability despite budget reductions. Poor engagement with regard to Future Council Activity could result in legal challenge;</p>	SMT SMT	<p>Revised Goverance Arrangements regarding Area Councils and the changing role of Elected Members; Use of key partners and LSP to coordinate wider communication activity; Review of Community Engagement Strategy borough-wide; Resourcing agreed to support the review and development of the Community Engagement Strategy; Review of approach to engaging with CCG; Increasing use of social media to assist with engagement; Introduction of Barnsley 'Help'; Conclusion of voluntary, community and social enterprise infrastructure review; One Barnsley Consultation taking place - seeking views and aspirations as to what Barnsley should be like in 2025;</p> <p>Outcomes: People volunteering and contributing towards stronger communities (GREEN)</p>	3	3	3	3	<b>Refresh of Community Engagement Strategy that underpins Stronger Communities Partnership and Community Safety Partnership (council, not multi-agency)</b>	Wendy Lowder	25% Green	31/03/2017	

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3792	Failure to be prepared to assist in the event of an emergency resilience event in the region	Recent emergencies relating to industrial actions and flooding proves there is still an inappropriate reliance on H&S&ERU to manage and lead on the management of emergency events; The emerging risk environment is increasingly making continuity or 'resilience' a significant focus for all organisations. Reduced employee numbers, service rationalisation, third party service delivery models and on-going budget cuts may challenge the Authority's ability to fulfil its Civil Contingencies Act 'Category One' responder duties to an extent expected by residents and their political representatives. In addition, the transition to Future Council will lead to established emergency response arrangements no longer reflecting the Council's operational structure. Compounding this is a lack of engagement by employees to volunteer for emergency response duties that will mean that currently expected responses in relation to flooding cannot at present be delivered. The extent of the transition to Future Council necessitates in many cases the complete review of Business Unit and Service Business Continuity Plans to reflect revised structures and resources if they are to be able to continue to deliver critical functions in the event of a business interruption. Recent emergencies relating to industrial actions and flooding proves there is still an inappropriate reliance on the increasingly limited resources of the HS&ERS to manage and lead on the management of emergency events.	SMT SMT	Business Unit/Service Business Continuity Plans developed using the template provided; Corporate Resilience Plan and supporting specific plans; Ongoing liaison with SMT regarding aspirations and expectations during emergency events; Formal on-call arrangements by the Health, Safety and Emergency Resilience Service (bronze/operational) and BLT (strategic/gold); Multi-agency working across the Local Resilience Forum; Operational Services role as 'Lead Local Flood Authority'; Corporate emergency plans appear robust and are well delivered - concern raised regarding the management of those incidents that occur 'out-of-hours'; Business Case developed for Humanitarian Assistance role; Ward Alliances encouraged to consider and develop Community Flood plans - Dodworth, Darfield and Penistone visited; Corporate Resilience Plan reviewed following transition to Future Council; Business Unit level plans reviewed with Internal Audit; Overview and Scrutiny Task and Finish Group to look at flooding in 2016/17; <b>Extra resource in place within Health &amp; Safety and Emergency Resilience Unit;</b>	N/A	N/A	2	2	Report to SMT which identifies a number of improvements to the Council's emergency resilience arrangements based on analysis undertaken against SOLACE Best Practice - Action Plan approved and now delivering against this  Top 5 service Business Continuity Plans passed to IS to identify IT implications and requirements - met with IT managers - Head of System Management dealing with broad resilience arrangements, Head of Code Green dealing with service related resilience  Await feedback from SD BU 6 following analysis of Community Flood Plans by Head of H&S	Simon Dobby  Simon Dobby	25% Green  35% Amber	31/03/2017  31/03/2017	
3793	Failure to ensure that appropriate disaster recovery arrangements are in place to ensure the Council is able to recover in the event of a business continuity threat or incident	In the event of a business continuity threat the Council will be unable to recover in an effective manner resulting in lost time and resources; Inability to process customer queries resulting in dissatisfaction, complaints and possible issues regarding safeguarding and vulnerable customers; Lack of support to employees such as that provided to lone workers as a result of IT and telephony systems being unavailable for significant lengths of time; Inability for customers to be able to access services; Lack of access to IT systems to enable employees to undertake their duties effectively;	SMT SMT	Working with H&SERU; Data Centre located at Beever Court; Working with Business Units to understand their requirements; Informal testing programme in place; SMT report approved May 2016 to support removal of out of hours support for service desk; Power supplies tested on a weekly basis;	N/A	N/A	2	2	Analysis of top 5 service Business Continuity Plans which have been passed to Information Services to identify IT implications and requirements from H&S - initial analysis undertaken which suggests that the level of detail required is lacking - <b>feeding back to H&amp;SERU</b>  Undertake weekend (minor incident) testing, and undertake annual (major incident) testing of IT resilience - currently mapping priority disaster recovery systems against BMBC Resilience Plans - <b>currently in progress</b>  <b>Formalise testing plans that will focus on systems and people / behaviour</b>  <b>Business Continuity Plan in draft format, corporate Business Continuity Plan being investigated. Disaster Recovery Plan being investigated</b>	Dave Robinson  Dave Robinson  Dave Robinson	25% Amber  10% Amber  0% Amber	31/03/2017  31/03/2017  31/03/2017	

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3022	Inability to direct corporate strategy	The Authority may be challenged by internal friction between Elected Members and appointed leadership, especially with regard to challenging decisions with significant political consequences or local repercussions; Increased commissioning activity in 16/17 will means there is a greater exposure to challenge and friction;	SMT SMT	Council Constitution; Local Code of Corporate Governance; Community Strategy for Barnsley (2011-2015); Corporate Plan; In the event of Constitutional dispute, role of Monitoring Officer to adjudicate as and when tensions arise; Area Council Arrangements in place, with supporting documentation in the form of 'Area Governance Handbook', 'Ward Alliance Governance Handbook', 'Ward Alliance Community Representative Handbook', 'Consulting and Engaging our Communities through Neighbourhood Networks' and 'Working with you to support your Community'; Purple Cabinet meetings used as a forum to discuss sensitive and confidential issues; SMT meetings and processes to ensure leadership is able to keep in touch with regard to pressures; Area Chairs meet each other on a regular basis to ensure cooperation and consensus; Member information session held regarding Conduct and Commissioning; Revisions to Contract Standing Orders (CSOs) to enable flexibility; Officer Working Group in place to support commissioning and procurement activity; Area Council Officer Coordinating Group to unpick issues relating to Area Governance - developing Member Protocol to deal with potential tensions within Ward Alliances in place and working effectively; Area Council Commissioning Group to unpick issues relating to procurement and commissioning in place and working effectively; Area Council Chairperson Group to encourage cooperation and consensus amongst Area Councils in place and working effectively;	3	3	3	3	Monitor and Review Area Council activity (in terms of Area Council Coordinating Group, Area Council Commissioning Group and Area Council Chairperson Group) (16/17)	Andrew Frosdick	50% Green	31/03/2017	Refer matter to Monitoring Officer for adjudication.
									Monitor and review the implementation and effectiveness of revised Contract Procedure Rules to deal with commissioning of internal services from Area Council budgets (16/17)	Andrew Frosdick	50% Green	31/03/2017	
3027	Failure to manage organisational change - 'Risk of Destabilisation of the Organisation'	Significant budget cuts are driving the 'Future Council' programme. This change programme is dramatically transforming the organisation's business model. For example, delivering services and outcomes through mixed economy partnerships and outsourced contracts. Infrastructure transformation initiatives, process re-engineering and organisational change programme and projects may be challenged by cost over-runs and failure to meet expectations.	SMT SMT	HR Policies; Council Constitution; Service and Financial Planning Process; Service Delivery Planning Process; Partnership Governance Framework; Corporate Complaints Policy; Risk Management Policy; New Models of Business - departments and services considering and implementing new Trading Models; Changes to Employee Terms and Conditions; Employee Relations Forum with Trade Unions; Talkabouts Sessions with CX and Middle Manager Conference; BLT and SMT sessions to assist in communication; Restructure of Communications Division now with ACE HR, P&P and Comms; Investor in People accreditation; Future Council Steering Group being led by HR; Future Council Programme Board being led by CX; Programme and Project Management issues now being identified and mitigated at Directorate level; 'Excellence' achieved by Corporate Equalities Group; Communications Strategy revised in 2015; 'Tell Us What You Think' Month September 2015; All Business Plans in place prior to April 2016; <b>Talkabout seessions delivered in May 2016;</b> <b>Staff Survey 2016 - 2020 (including employee preference questionnaire);</b> <b>Social Media policies in place;</b>	5	5	5	5	Consideration of organisational change requirements following the development of the Council's MTFS (16/17)	Diana Terris	50% Green	31/03/2017	
									Talkabout sessions being developed for <b>November 2016 with Chief Executive and Leader</b>	Julia Bell	50% Green	31/03/2017	
3028	Workforce planning issues	The Authority is currently undergoing tremendous organisational change. This will create significant workforce issues around having the right skills, people and employee capacity. The Authority will require employees to have different skill sets that underpin a transformed business model. Operationally, risks inherent in organisational down-sizing initiatives will include: - Increasing workforce productivity; - Getting the balance right between cost and benefit; - Need to reduce deficit reductions; - Balancing the impact of reducing the workforce and the economic impact on the community; and, - Maintaining morale in the remaining workforce.	SMT SMT	HR Policies; Council Constitution; Equalities and Diversity Policy; Risk Management Policy; Management and monitoring of 'Future Council' / KLoE activity; PULSE Survey to measure progress in key areas since the last full employee survey in 2011; Development of Adobe Forms to assist management processes; As at October 2013 37% of employees benefit from a current PDR; HR Reorganisation completed; As at 31/03/2015 81% of employees benefit from a current PDR; Corporate Plan 2015 - 2018; Organisational Development Strategy monitoring reports to Scrutiny; Regular progress reports against Future Council characteristics to SMT; As at 26/03/2016 65.9% of employees benefit from a current PDR; <b>NW Employers session - workforce planning now a more important element of Business Planning processes;</b>	3	3	3	3	<b>Refresh of Corporate Plan to align it to 2020 outcomes - will also include a review of the Future Council Strategy which will join up the Future Council Development Strategy and also ensure the Future Council Improvement and Growth Strategy is more aligned to resourcing and financial influences</b>	Julia Bell	0% Green	31/03/2017	

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Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Feb-15	Oct-15	Mar-16	Oct-16	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
3029	Failure to safeguard information	<p>The Council is increasingly managing, storing and maintaining personal data and information as part of the delivery of services. With data held in a vast array of places and transferring between between supply chain partners, it becomes susceptible to loss, protection and privacy risks.</p> <p>Loss of personal and financial information held by Council employees and systems; Financial and non-financial penalties from Information Commissioners Office; Loss of public confidence in the ability of the Council to store sensitive information, possibly resulting in a reduction in the use of public self-service facilities; Failure to maintain PSN compliance leading to the suspension of the Councils connection to the government secure network; Non compliance with Data Protection Act and Freedom of Information Act; Non compliance with Payment Card Industry Data Security Standards (PCI DSS) leading to the inability to process payment card transactions; Failure to ensure that unwanted data is cleared and disposed of, leading to non-compliance with DPA requirements; Inability to gather data from other agencies to strengthen and benefit the Council's activities; Failure to have appropriate data sharing agreements with agencies and partners leading to vicarious liability in the event they lose or misplace sensitive information; Inability to ensure that partners that we share data with are in themselves compliant with appropriate guidance and legislation;</p>	SMT SMT	<p>Information Management and Governance Policies; ACX (Legal and Governance) has taken on the role of Senior Information Risk Officer (SIRO); Information Security and Computer Usage Policy in place; Information Governance Team in place to provide advice, guidance and training; PSN compliant; Records Management Team in place to provide advice, guidance and training; Information Governance Board refreshed and re-established and engaged in corporate risk management arrangements; Technical Architect role filled; Some initial actions have been taken as a result of IT Health Check to control, and restrict access: • Reduced permissions • Deactivated USB ports • Deactivated removeable media options • Implemented temporary changes to homeworking solutions. The Council's core infrastructure has benefitted from: • Patching • Protection. Caldicott guardians in place within Communities and People Directorates; Communities and Public Health have IG Steering Groups in place; Review of technical architecture completed and action plan identified; BMBC Cabinet agreed to endorse the requirement to achieve Baseline Personel Security Standard (BPSS); IT business plan been through 'Check and Challenge' process; Information Governance Board confirmed engagement will be undertaken with DMTs to ensure actions arising from the IG Toolkit are completed; IT Business Plan produced and presented to 'check and challenge' session - analysis of other business plans to identify IT requirements and resourcing complete; Implementation of EGRESS secure email solution completed; Majority of IG Framework now in place; Proactive Phishing campaign to identify risk areas; Proactive approach to PSN compliance - addressing lower risk issues that may become bigger in future years; Sharepoint being rolled out across Council during 2016/17;</p>	4	4	4	4	<p>Programme of activity to assist in acheiving Baseline Personnel Security Standard (BPSS) - 2015 round of BPSS compliance included 1500 employees - specification moving - full time developer in place to work on scheme for 6 months</p> <p>Removal of Citrix from personal computers due to PSN constraints - due July 2017</p> <p>Review of IG Toolkit - aiming for L3 compliance in 2017/18</p> <p>ICT systems access system access, review policy and simplify process for new starters, movers and leavers</p> <p>Information flow mapping activities to ensure compliance with General Data Protection Regulations 2018</p>	Julia Bell  Sara Hydon  Sara Hydon  Sara Hydon	85% Green  0% Green  0% Green  0% Green	31/03/2017  31/03/2017  31/03/2017  31/03/2017	Enable revisions to infrastructure that will allow limited communications.
3031	Strategic Performance, governance or compliance failure	<p>Budgetary pressures to minimise back office functions may drive the Authority to downgrade the focus on meeting proper governance standards and ultimately, remaining 'safe'. The implementation of the Area Council Arrangements has required the Council's Constitution to have been significantly reviewed to ensure Area Council governance and Ward Alliance governance issues are included.</p>	SMT SMT	<p>Council Constitution; Local Code of Corporate Governance; Information Management and Governance Policies; ToR for Audit Committee; ToR for Scrutiny Committees; Internal Audit; Risk Management Policy; Performance Management Arrangements including revised Corporate Plan Performance Report and 'We Will Statements'; Terms of reference for all Overview and Scrutiny Committees reviewed; Scrutiny Committee workplans are now aligned to Corporate Priorities; Briefing for Elected Members relating to Performance Management of Area Council activity; Revised AGR process for 14/15; Analysis of Casey Rotherham Safeguarding Report undertaken - report to SMT in February 2015 including recommendations for Internal Audit activity;</p>	4	4	4	4	<p>Monitoring and reviewing of revised governance arrangements - further review 2014/15 identified positive activity regarding commissioning but at Ward Alliance level, some Members are still doing things in the 'old' way and monitor and reviewing for 16/17 in light of increased commissioning activity at Ward Alliance level in future years and the implementation and effectiveness of revised Contract Procedure Rules to deal with commissioning of internal services from Area Council budgets (16/17)</p> <p>Monitoring of AGS Action Plan which includes the improvement requirement regarding the recording of Officer decisions 16/17</p>	Andrew Frosdick  Andrew Frosdick	50% Green  75% Green	31/03/2017  31/03/2017	Refer matter to Audit Committee / External Audit for consideration.

Strategic Risk Register - as at October 2016													
Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Feb-15	Oct-15	Mar-16	Oct-16	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
3033	Failure to adapt the Authority into a sustainable organisation - 'Failure to maintain current services'	<p>The need to balance the books, gain efficiencies and meet new demands could lead the Authority into drastic measures that could increase long-term risks and costs, both to the organisation as well as to the community. The Authority runs the risk of moving away from addressing problems with long-term solutions, such as capital investment projects essential to meet social and area-based economic challenges. 'Short-termism' could potentially lead to decaying infrastructure and an inability to develop long-term economic vitality.</p> <p>Need to ensure that the Authority has the right people to ensure sustainable opportunities are being exploited to their maximum.</p> <p>Development of City Region Devolution Deal which while fiscally neutral, will provide more opportunities to strengthen the sustainability of the organisation by transferring a number of powers and policy levers from central Government to local leaders, including skills, employment, business support, transport and housing;</p>	SMT SMT	<p>Council Constitution;</p> <p>Performance Management Framework;</p> <p>Growing Barnsley's Economy (2012-2033) - Economic Strategy;</p> <p>Customer Services Organisation project;</p> <p>Integrating areas of work and consideration of new Service Delivery models such as traded services or social enterprise;</p> <p>Consideration of joint commissioning opportunities;</p> <p>Two year Medium Term Financial Strategy approved and agreed by Full Council in February 2016;</p> <p>Contract for Leadership and Management training for all 4th tier and above officers agreed with IODA Training completed. Second wave of leadership training underway;</p> <p>Corporate Plan 2015 - 2018 developed;</p> <p>All Business Plans submitted prior to April 2016;</p> <p>Director of Public Health recruited to post – all other Service Director posts are filled, or recruitment is underway;</p>	4	4	4	4	<p>Development of of new Corporate Plan 2017 - 2020</p> <p>Refresh of Future Council Strategy and Workforce Development Plan to align them to the Corporate Plan 2017 - 2020 (will include merging FC Startegy and FC Workforce Development Plan)</p> <p>Development of Talkabout sessions for Chief Executive and Leader regarding MTFS, Service and Financial Planning and Business Plans - November 2016</p> <p>Consideration of organisational change requirements following the development of the Council's MTFS</p>	Diana Terris Julia Bell Diana Terris Diana Terris	25% Green 0% Green 50% Green 50% Green	31/03/2017 31/03/2017 31/03/2017 31/03/2017	
3034	Failure to deliver the MTFS - 'Failure of Future Council to acheive the required level of savings'	<p>Risks relating to the MTFS fall into two main areas:</p> <p>- Agreeing a three year plan with Directorates and Members; and,</p> <p>- Ensuring delivery against the agreed plan, managing variances and areas of over / under spend to enable the budget to be balanced.</p> <p>Adverse effect on the Council's reserves / prudential borrowing / Treasury Management activities;</p> <p>Council's reserves falling below minimum working balance levels;</p> <p>Impact on service delivery and council policies;</p> <p>Adverse External Audit report / opinion;</p> <p>Government intervention;</p> <p>Inability to undertake robust planning in terms of Future Council activity;</p> <p>Non-achievement of KLoE savings and consequences on future years programmed or planned savings;</p> <p>Inability to develop and implement a 'Plan B' or contingency plan in the event of further savings being required;</p>	SMT SMT	<p>Budget Monitoring and Reporting;</p> <p>Financial Regulations;</p> <p>Corporate Debt Strategy;</p> <p>SAP / EBP / Financial Systems Procedures;</p> <p>Treasury Management Policy;</p> <p>Forecasting of expenditure and resources;</p> <p>Service Delivery Planning and Service and Financial Planning Processes;</p> <p>Prudential Borrowing Strategy and Indicators;</p> <p>Budgetary Control / Budget Monitoring Processes;</p> <p>Annual Governance Review Framework;</p> <p>Ongoing delvelopment of SAP;</p> <p>Management of Assumptions and Constraints within MTFS;</p> <p>Horizon Scanning in terms of changing legislation and policy that may affect MTFS;</p> <p>A range of budget saving options (KLoEs) have been developed and agreed to enable Future Council scenarios for 13/14 and 14/15 to be reflected in 15/16 budget;</p> <p>Asset Management Disposal Report approved by Cabinet;</p> <p>First £15 million of budget savings identified, and agreed by Cabinet (now need to monitor delivery);</p> <p>2 year financial plan now set - now need to monitor delivery against this;</p> <p>Monitoring of political situation following Election 2015 - Comprehensive Spending Review and Autumn Statement;</p> <p><b>Current MTFS has been considered and approved by Members and included a number of savings that will not be required;</b></p> <p><b>Balanced Budget in place for 17/18;</b></p>	5	4	3	4	<p>Use of BPC Business Objects by Executive Directors and Service Directors (16/17)</p> <p>MTFS (17/18) - budget savings agreed, need to refer back to Members for final approval</p> <p>Financial Monitoring (16/17) to ensure delivery is in line with plan - <b>overspends being identified and picked up with relevant SD</b></p> <p>Full review of MTFS to be undertaken - to ensure relevance, materiality and appropriateness, including assumptions regarding the Council's <b>Financial and Capital Plan to feed into 17/18 4 year plan (16/17)</b></p> <p>Monitoring of the situatuion regarding Business rates which links to the broader discussions regarding the regional devolution deal - <b>BMBC well placed due to SIGOMA influence (16/17)</b></p>	Frances Foster Frances Foster Frances Foster Frances Foster	75% Green 0% Green 75% Green 75% Green	31/03/2017 31/03/2017 31/03/2017 31/03/2017	Re-negotiate with Cabinet to seek an agreed budget.

Strategic Risk Register - as at October 2016													
Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Feb-15	Oct-15	Mar-16	Oct-16	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
3035	Loss of assets and resources as a result of a one-off incident of fraud / corruption / bribery or sustained or widespread occurrences.	Occurence or incidents of sustained and / or widespread and / or one off / big bang occurrence of Fraud and Corruption leading to financial loss, loss of income, property and other assets; Fraudulent transactions, contracts / payments and the like perpetrated by employees and / or third parties; External Audit public interest report; Loss of management time in undertaking investigations, be they 'real' incidents, or vexatious claims; The consequences of this risk will greatly depend on the context of the individual incidents, and will be greatly influenced by both the scale of the incident, and the position of the perpetrator within the Organisation; Negative impact on employee morale either through actual incidents, or suspicions of incidents being perpetrated; Tensions and issues with morale within groups / teams as a result of changes within and to the organisation; Increased opportunities to commit fraud due to management attention being distracted by change programmes and increased workloads; Losses arising from officers not doing their jobs properly, or not expending the amount of effort that may have been normal previously, due to morale and motivation issues; Increased risk of third party IT attacks on BMBC systems such as hacking for personal data, general mischief and disruption or to facilitate the transacting or processing of false documents; Negative impact on BMBCs reputation through the actions of partners and the perception that BMBC could be guilty by association;	SMT SMT	Anti Fraud, Corruption and Bribery Policy which is developed and refined following analysis of the Annual Fraud Risk Self Assessment (FRSA); Anti Money Laundering Policy which is developed and refined following analysis of the FRSA; Whistleblowing Policy which is developed and refined following analysis of the FRSA; Prosecutions Policy in place to ensure the Authority is open regarding censure relating to inappropriate behaviour; Council Constitution; Local Code of Corporate Governance; Member and Officer Codes of Conduct; Police involvement / criminal investigations; Annual Fraud Self Risk Assessment; NFI Data Matching; Membership of NAFN; IT usage policies and procedures; IA for CA and other major organisations; Corporate Fraud Team in place; Fraud and Corruption included in AGR process; <b>BOLD Elearning modules in place;</b>	3	3	3	3	A) Develop governance arrangements around Area Councils and Ward Alliances - Audit delivered which covered procurement arrangements 16/17 - now delivering recommendations	Andrew Frosdick	75% Green	31/03/2017	Escalate matter to HR, Police etc. Undertake full systems review of affected area(s).
									B) Ensure there is an adequate and appropriate relationship between IA, HR, Legal and the Police to respond to any incident - to be refreshed as part of the establishment of the new BMBC Anti Fraud Team, led by the Corporate Anti-Fraud Team within IA - <b>development of Anti-Fraud Group terms of reference</b>	Rob Winter	25% Amber	31/03/2017	
									C) Review corporate training programme utilising corporate PDR information and further development of BOLD training	Rob Winter	50% Green	31/03/2017	
									D) Fundamental review of all corporate anti-fraud and corruption policies, procedures and guidance as part of the work of the Corporate Fraud Team	Rob Winter	50% Green	31/03/2017	
3514	Failure to be able to deliver the ambitions and outcomes associated with the Customer Strategy Implementation Programme	Leading to... Failure to ensure customers are at the heart of the organisation; Lack of growth regarding our digital service which will be unable to encourage a channel shift in terms of customers interact with the Council resulting in customers not changing their behaviour and not undertaking greater levels of self-service; Unable to resource certain elements of the programme such as ICT technical development to deliver smarter and more efficient processes; Lack of efficient and effective services; Servies becoming unsustainable following the Council's journey to Future Council and future financial pressures facing local government; Savings target of £450K to be delivered in 2016/17 (£400K delivered 2015/16 by BensTax service improvements); Directorates / Business Units not embracing the objectives of the agreed Customer Services Design Principles and associated objectives; No 'changing relationship' between the Council and its stakeholders; Issues regarding the capacity and time frame to deliver and concern regarding over promising and under delivering leading to 'work-around' arrangements that are unsustainable; Currently concerns riased regarding capacity with BU11 to provide required level of support to deliver programme;	SMT SMT	Responsibility for Programme delivery now aligned to SD Customer Services; BU7 - new structure and resources; Head of Customer Support and Development in place; Business design, IT technical resources agreed; Lessons Learnt from other significant change programmes such as SAP; Phase One and Two completed; Lessons learnt from previous Phases embedded; Previous CSO Strategy approved by Cabinet; Now transitioning to new stage with concept testing being undertaken with will include the consideration of dependencies and enablers, along with a period of redesign and testing; Cabinet Report detailed 'what' can be done, papers being prepared for SMT and CSO Board to detail 'how' the agreed activities will be implemented; New website in place; Overview and Scrutiny Task and Finish Group considered the Customer Services Strategy during 2015/16; New governance arrangements underpnning programme - Customer Strategy Implementation (CSI) Delivery Group reports to the Future Council Improvement and Growth Board; SMT have agreed and approved the CSI programme of work in September 2016; External Programme Manager in place; Specific work request in place with IT to ensure this activity is 'outside' of their day to day IT workstreams, and therefore should be adequately resourced; Co-produced plan with BU7 and BU11; Funding agreed and allocated - £1.1M  Outcomes: Customers can contact us easily and use more services online (AMBER)	4	4	4	4	<b>Delivery of Customer Strategy Implementation Programme, including the appropriate consideration of risk at project level, and the escalation of significant risks to the CSI Delivery Group and subsequently the FC Improvement and Growth Board (16/17)</b>	Ann O'Flynn	50% Green	31/03/2017	
									Customer Care / Customer Contact training to be provided to employees who have a high level of contact with the public linking to organisational-wide OD training 16/17 - <b>offer in place using elearning and face to face training - some employees booked into course - awaiting final sign off by CX</b>	Julia Bell	15% Green	31/03/2017	

Strategic Risk Register - as at October 2016													
Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Feb-15	Oct-15	Mar-16	Oct-16	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
3699	Failure to ensure the Council's commercial / trading arm is effective in its operations, and is a well governed organisation	Reputational damage if the BMBC is not seen as a good business to trade with; Lost time and wasted resource in setting up the organisation, completing tenders, submissions and other commercial activities; Lost income which may have been used to avoid service cuts in future years resulting in lost jobs and employment opportunities; Legal / compliance failures if commercial / trading arm is not well controlled and governed;	SMT SMT	Trading organisations to date: - HR Services; - ILAHS; - Financial Services / Audit Services BMBC Legal Services providing oversight and advice regarding company constitution; In terms of the availability of commercial and trading skills, it is acknowledged the Council is working from a low starting point; Consideration of new skills in terms of commerciality, trading and innovation within the Future Council structure; Scheduled governance review to assist in determining the effectiveness of existing governance arrangements; Elements of comapny being would up including Barnsley HR Services and Barnsley Financial Services;	N/A	4	4	4	Increase the availability of commercial skills and awareness within BMBC Workforce including the skills and organisational discipline to vet Business Cases - <b>Leadership Programme includes consideration of Commercial skills and the develment of a 'Commercial Accumen Toolkit' and some courses offered via BBIC</b>	Julia Bell	25% Green	31/03/2017	
									Development of internal control mechanisms to ensure that the correct roles are filled by appropriate employees, that good quality company governance is in place, that information is able to properly flow throughout the organisation and that commercial and financial reporting structures are in place - <b>Director training being arranged for 2016</b>	Board of Directors	25% Amber	31/03/2017	
									Development of shareholder role (SMT and Member / Cabinet level) to ensure the appropriate oversight of the trading / commercial activities is in place	Julia Bell	0% Amber	31/03/2017	
3794	Failure to influence the governance arrangements underpinning and controlling the emerging City Region Deal Devolution Deal enable an appropriate blend of risk and reward for the Council	Conflict of interest for a number of Council Services that provide support to internal functions within the Council, as well as external relationships such as Legal Services who provide legal support to the Council and the CA; Increased officer time required to support both organisations; Increased risks regarding project activities, where the CA may be unwilling to underwrite risk on behalf of constituent Councils; Increased reliance of CA funding;	SMT SMT	Development of protocols for dealing with potential conflicts of interest; Escalation of issues through Chief Executives;	N/A	N/A	4	4	Ensuring that the Authority is able to learn from <b>its experiences in terms of conflicts that may have arisen and identifying areas of potential improvement in terms of how conflict are identified, handled and addressed (16/17)</b>	Andrew Frosdick	75% Green	31/03/2017	
									<b>Focused de-brief following significant interaction with CA i.e. J36 development (including BLT development sessions)</b>	Andrew Frosdick	75% Green	31/03/2017	

## Strategic Risk Register - as at October 2016

Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Feb-15	Oct-15	Mar-16	Oct-16	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
3842	Failure to ensure the transfer of 0-19 services that are coming back into Council control ensure customers remain safe, there is continuous service and that during and after the transition period customers remain safe	Poor quality of services affecting customers health; Missed identification of issues and concerns by professional employees; Lack of safeguarding arrangements affecting wellbeing of customers; New activities for the Council to deliver and subsequent exposures including health related service specifications, new treatments, prescribing risks and medical activities; Litigation and clinical risk; Legacy issues regarding cost of estates - CCG are to transfer funding regarding estate liabilities to BMBC; Financial issues making transfer unfeasable; Employee issues resulting in a diminished workforce who may not have the capacity or skills to deliver the expected outcomes; Information breaches resulting in censure by ICO and possible litigation; Current general lack of engagement by SWYPFT regarding IT provision may affect ability to access necessary information; Increased likelihood of HR disputes resulting in potential strike action;	SMT SMT	Governance arrangements developing - BMBC now commissioner and provider; Liasion with Performance Improvement Officer to ensure performance and governance arrangements are being picked up; Meetings and liaison with BMBC (BU 10 and 15) and SWYPFT - SWYPFT unwilling to share risk registers regarding activities that are transferring; Likely to TUPE around 120 employees (2 managers, 118 operational employees); BMBC are intending to procure the same IT system in use by SWYPFT; Legal Services involved in TUPE discussions; Legacy issues regarding estate liabilities - CCG to transfer funding to BMBC - leases to be changed and a number of disposals to be agreed and arranged (BMBC looked at 17 SWYPFT sites - reduced to 9); Agreement regarding the transfer of contents and equipment from CCG to BMBC to be concluded - BMBC to assess whether market value is appropriate; SWYPFT will be retaining IT and BMBC will have to buy back the equipment that is necessary to support 120 agile workers; Working through the scanning of records and files - liaison with Principle Records & Information Manager (BMBC); DBS / Safeguarding checks being undertaken by HR/PH for all 130 employees going through TUPE - there are no specific Safeguarding roles within the 120 employees TUPEing (there were a number of Safeguarding roles identified earlier); BMBC Head of H&S met with SWYPFT H&S lead to ensure issues such as continuity planning, incident reporting and general safe systems of work are being picked up; The service was given responsibility and specific funding for the provision of 0-5 services from October 2015, and the single service 0-19 Years Healthy Child Programme transferred from SWYPFT to BMBC on the 1st October 2016; The transition of the service has unfortunately created a one off pressure of £0.442M which has been subsumed within the overall plan;	N/A	N/A	N/A	2	Refer to detailed risk mitigations within the Risk Register for BU 10 (Public Health) (16/17)	Julia Burrows	25% Amber	31/03/2017	

# Item 7

Joint Report of the Chief Executive,  
Director of Finance, Assets and Information Services and  
Director of Legal and Governance

**AUDIT COMMITTEE 7<sup>th</sup> December 2016**

**ANNUAL GOVERNANCE STATEMENT ACTIONS PLAN 2016/17**

**ACTION PLAN UPDATE ARISING FROM 2015/16 AGR**

**1. Purpose of the Report**

- 1.1 This brief report supports the updated action plan relating to the issues identified following the Annual Governance Review (AGR) for 2015/16. The action plan is attached as an Appendix to this report, and was originally considered with the Annual Governance Statement (AGS) by the Audit Committee at their meeting dated 20<sup>th</sup> July 2016.

**2. Recommendation**

- 2.1 **It is recommended that the Audit Committee considers the progress being made against each item listed in the AGS Action Plan, and seeks any explanations regarding any aspects of the progress detailed from the named action owner.**

**3. Action Plan Update**

- 3.1 An action plan is used to track the progress of the actions necessary to deal with the issues raised through the AGS process. The action plan for 2016/17 was developed in May and June 2016 when the AGS was first drafted. It was subsequently reviewed by the Audit Committee as a draft document in July 2016, and again in September 2016, when the AGS was accepted by the Audit Committee, and subsequently passed to Full Council for approval.
- 3.2 Generally, progress has been positive against all actions identified. This will be further reviewed in May and June 2016 as part of the 2016/17 AGR process.

**4. List of Appendices**

- 4.1 Appendix One: AGS Action Plan as at December 2016.

**5. Background Papers**

- 5.1 Previous Audit Committee reports covering the development of the AGR process for 2014/15 and the approval of the 2014/15 AGS.

**Contact Officer:** Risk and Governance Manager  
**Telephone:** 01226 77 3119  
**Date:** 21<sup>st</sup> November 2016

BARNSELY METROPOLITAN BOROUGH COUNCIL  
ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2016/17

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned
1	To further develop and embed a practical framework to assist on the effective governance and control of the Council's partnerships, contracts and general relationships with external organisations. This has increased significance in the context of the Future Council programme. (Carried forward from 2015/16)	Executive Director, Legal and Governance	31/12/2016	<p><u>July 2016:</u> A presentation to BLT was delivered by the Executive Director, Legal and Governance on 31/05/2016, seeking endorsement of the developing Partnership Governance Framework, which entails:</p> <ul style="list-style-type: none"> <li>▪ Developing a Register of significant partnerships;</li> <li>▪ Logging Partnership risks in the appropriate Risk Register; and,</li> <li>▪ Ensuring suitable assurances (including the consideration of exit strategies) are included when logging Partnership risks in the appropriate Risk Register.</li> </ul> <p>The Executive Director, Legal and Governance and the Risk and Governance Manager met in July 2016 to develop arrangements to roll this framework out to all Directorates in 2016 via the Operational Risk Register review process.</p> <p>An update will be provided to BLT during 2016.</p>
2	Improving the quality of performance reviews undertaken across the Council in 2016/17.  Particular areas of non-compliance or concern will be considered as part of Internal Audit's Themed Assurance Audit on the Performance and Development Framework, the recommendations of which will be used to identify areas of development and support for managers and to inform changes required to the process for the future. (Carried forward from 2015/16)	Executive Director, Human Resources, Performance and Communications	31/03/2017	<p><u>July 2016:</u> Terms of reference for Internal Audit's Themed Assurance Audit on the Performance and Development Framework have now been agreed between the Organisation Development Manager and Internal Audit Manager</p> <p><u>December 2016:</u> The P&amp;DR audit has taken place and Internal Audit will be providing a written report of findings in November 2016.</p>

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned
3	<p>The development of a Commercial Toolkit that covers all aspects of business and financial acumen is currently in the process of being developed and prepared.</p> <p>This Toolkit will be rolled out via a series of modules across the entire organisation and it is envisaged this will assist in fundamentally changing the culture of the Council to a more commercial and business like organisation, with the right commercial and financial capabilities to deliver the Council's 2020 Outcomes</p> <p>The first module is expected to have been prepared by December 2016.</p>	Executive Director, Finance, Assets and Information Services	31/03/2017	<p><u>July 2016:</u> Action agreed by Service Director Finance.</p> <p><u>December 2016:</u> The initial framework for the commercial toolkit has been established and the approach has been agreed with SMT. The toolkit will be developed and implemented across the organisation as a modular approach and will be released on a phased basis as the modules are developed. The first 3 modules will be rolled out in the new year comprising of Commercial Awareness, Charging v Trading and the CIPFA Financial Management model. Associated training will also be developed and rolled out alongside the modules in conjunction with Workforce Development.</p>
4	<p>Improve the implementation by Business Units of the Council's Business Continuity Planning (BCP) arrangements.</p> <p>There remain gaps in the necessary BCPs in services which now form one of the appendices of Business Unit Business Plans. The Corporate BCP will be revised in 2016 and any outstanding plans highlighted to the relevant Executive Director and Service Director. This remains an implementation issue rather than a lack of suitable and sufficient process. (Carried forward from 2015/16)</p>	Executive Director, Human Resources, Performance and Communications	31/03/2017	<p><u>July 2016:</u> Action agreed by Head of Corporate Health, Safety and Emergency Resilience.</p>
5	<p>Review the recording of officer delegated decisions to ensure this is in line with legislation. (Carried forward from 2015/16)</p>	Executive Director, Legal and Governance	CLOSED	<p><u>July 2016:</u> Draft guidance prepared by the Service Director (Council Governance) and passed to the Director, Legal and Governance for consideration.</p> <p>Following receipt of feedback, it is envisaged this guidance will</p>

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned
				<p>be considered by SMT, and finally, circulated to BLT in late July 2016.</p> <p><u>December 2016:</u>  Updated guidance on recording of officer decisions was finalised in June 2016. A presentation given to BLT on 26<sup>th</sup> July 2016 on the rationale for the new guidance, with the offer of further sessions to discuss this in detail with DMTs / Service meetings. The guidance has now been published in the Modern.gov document library, accessible via the Intranet Homepage. Microsoft Word versions of the record pro forma will be made available through SharePoint in due course, subject to further developments of that system.</p>
6	Internal Audit Annual Report: A corporate issue relating to non-compliance with Contract Procedure Rules and the overall adequacy of Contract Management Arrangements	Executive Director, Finance, Assets and Information Services	31/03/2017	<p><u>July 2016:</u>  Identified via Internal Audit's Annual Report – Significant Governance Issues.</p> <p>Agreed by SMT this action is to be included on the 2015/16 AGS Actions Plan.</p> <p>Action agreed by Head of Strategic Procurement.</p> <p><u>December 2016:</u></p> <ul style="list-style-type: none"> <li>Non-compliance with CPR – Strategic Procurement Team now centrally recording and tracking waivers for the current financial year. There has been 69 waivers this year with an annual contract value of £2.84m which equates to circa £45k per waiver. The Strategic Procurement Team continues to challenge any waiver that does not appear to be robust in its rationale. In terms of our procurement plan the Strategic Procurement Team are looking at future contract expiry dates in the 16/17 programme with a view to proactively putting in place any tactical waivers which would be actioned as part of a longer term sourcing strategy. In addition the 'Document review' is about 60% done and once completed will generate a new set of processes, documents and guidance for people to utilise when</li> </ul>

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned
				<p>procuring at the various levels of expenditure.</p> <ul style="list-style-type: none"> <li>Contract Management – it is recognised that BMBC's approach to both contract and supplier management is immature and inadequate. To tackle this the Strategic Procurement Team are specifically progressing three things as follows: <ul style="list-style-type: none"> <li>Toolkit Review –conducting a review of the systems, processes, data and reporting that we use/need in order to do effective Strategic Procurement (which includes Contract Management), this will serve to help inform how the Council develops contract management over the next 3 to 6 months and beyond</li> <li>Leadership programme – as part of the leadership programme there is an option for participants to get involved in a procurement project and having met with some of those individuals we have decided that contract and supplier management is an area where they could help develop our future approach. This kills two birds with one stone in that it supports the individuals in the programme whilst getting something done that is really relevant to the council and its performance and not just a tick box exercise</li> <li>Category Plans – each Category manager is tasked with developing a category strategy for their areas of expenditure for 17/18. This should include sections on how specific contract and supplier management issues will be tackled going forward.</li> </ul> </li> </ul>

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# Annual Audit Letter 2015/16

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**Barnsley Metropolitan Borough Council**

—

October 2016



Item 8

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Clare Partridge, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers ([andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

This Annual Audit Letter summarises the outcome from our audit work at Barnsley Metropolitan Borough Council in relation to their 2016/16 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2015/16 on 30 September 2016. This means we are satisfied that during the year the Authority had proper arrangements for informed decision making, sustainable resource deployment and working with partners and third parties.</p> <p>To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.</p>
<b>VFM risk areas</b>	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.</p> <p>Our work did not identify any significant matters relating the VFM conclusion.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on the Authority's financial statements on 30 September 2016. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
<b>Financial statements audit</b>	<p>Our financial statements audit identified one significant audit adjustment with a total value of £13.3 million. This impacted on the Authority's net worth in year but did not impact on the Authority's medium term financial plan. This is because the adjustment was simply a reallocation of costs relating to the repayments for the Authority's PFI contracts over a longer period. There was no impact on the Authority's overall Council Tax requirements.</p> <p>Draft accounts were provided to us on time and were supported by good working papers. In addition, finance team officers were available during the audit and were responsive to audit queries.</p>
<b>Annual Governance Statement</b>	<p>We reviewed your Annual Governance Statement and concluded that it was consistent with our understanding.</p>
<b>Whole of Government Accounts</b>	<p>We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.</p>

# Headlines (cont)

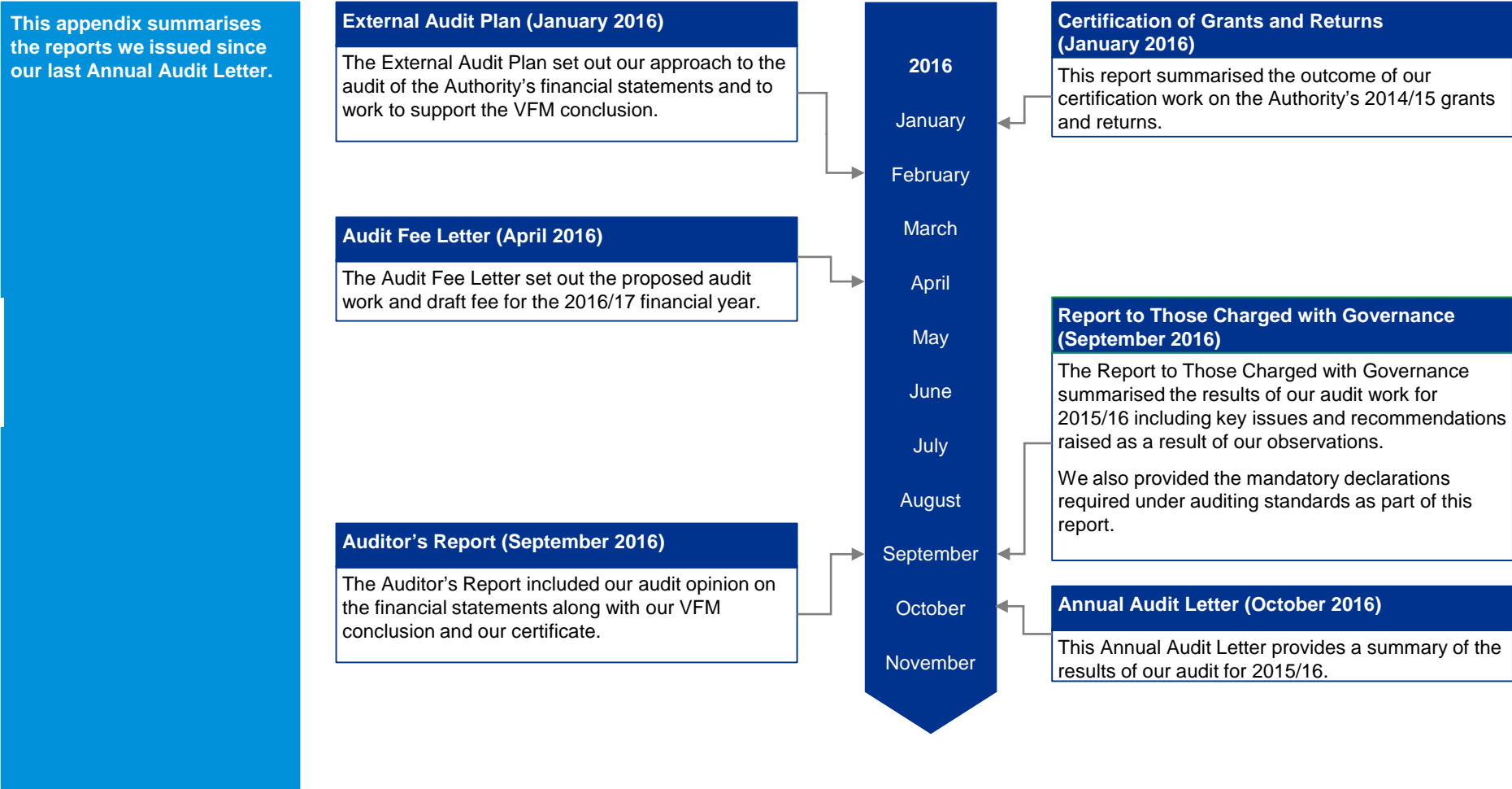
This Annual Audit Letter summarises the outcome from our audit work at Barnsley Metropolitan Borough Council in relation to their 2016/16 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

Recommendations	<p>We raised two medium priority recommendations as a result of our 2015/16 audit work. These related to the need to update procedure notes in relation to the authorisation of journals, and the need to include the latest valuation of the Waste PFI asset in the 2016/17 statement of accounts and to ensure all new assets are valued when they come into use.</p> <p>Management have agreed to our recommendations and we will follow them up as part of our 2016/17 work.</p>
Certificate	<p>We issued our certificate on 30 September 2016. The certificate confirms that we have concluded the audit for 2015/16 in accordance with the requirements of the Local Audit &amp; Accountability Act 2014 and the Code of Audit Practice.</p>
Audit fee	<p>Our fee for the external audit in 2015/16 was £135,988 (excluding VAT) which is in line with the scale fee included within our agreed Audit Plan. It is £45,333 more than the fee charged in 2014/15 and reflects a 25 per cent reduction in scale fees set by Public Sector Audit Appointments Ltd.</p> <p>We also carried out some additional work for you in 2015/16, totalling £7,750 (excluding VAT). This relates to the certification of the Teachers Pensions Agency Return (£3,500) and the Pooling Capital Receipts Return (£4,250).</p> <p>Further detail is contained in Appendix 2.</p>

# Appendix 1: Summary of reports issued

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# Appendix 2: Audit fees

This appendix provides information on our final fees for the 2015/16 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2015/16 planned audit fee.

External audit

Our final fee for the 2015/16 audit of the Authority was £135,998, which is in line with the planned fee.

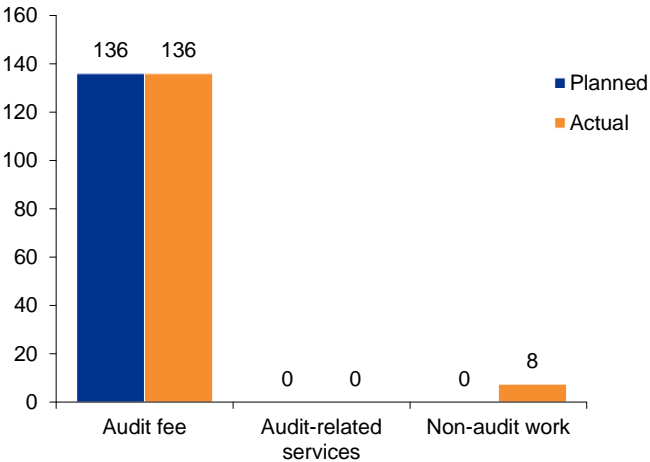
Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The final fee will be confirmed through our reporting on the outcome of that work in January 2017.

Other services

We charged £7,750 for additional audit-related services for the certification of the Teachers Pensions Agency Return (£3,500) and the Pooling Capital Receipts Return (£4,250). These are grants and returns that are outside of Public Sector Audit Appointment's certification regime.

External audit fees 2015/16 (£'000)





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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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# Technical update

Incorporating the External Audit Progress Report

Barnsley Metropolitan Borough Council

November 2016

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The contacts at KPMG in connection with this report are:		Page
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<b>Clare Partridge</b> <b>Partner</b> <b>KPMG LLP (UK)</b> <b>Tel: + 0113 231 3922</b> <b>clare.partridge@kpmg.co.uk</b>	<b>KPMG resources</b>	6
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This report provides the Audit Committee with an overview on progress in delivering our responsibilities as your external auditors.


The report also highlights the main technical issues which are currently having an impact in local government.


If you require any additional information regarding the issues included within this report, please contact a member of the audit team.

We have flagged the articles that we believe will have an impact at the Authority and given our perspective on the issue:

 High impact

 Medium impact

 Low impact

 For information

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# External audit progress report

# External audit progress report

This document provides the audit committee with a high level overview on progress in delivering our responsibilities as your external auditors.

At the end of each stage of the audit we issue certain deliverables, including reports and opinions. A summary of progress against these deliverable is provided in Appendix 1 of this report.

Area of responsibility	Commentary
Financial statements	<p>We have issued you the 2015/16 Annual Audit Letter.</p> <p>The 2016/17 audit planning has started and we will provide you with our early thoughts at the January 2017 audit committee with the Audit Plan going to the February 2017 Audit Committee.</p>
Value for Money	<p>We have issued you the 2015/16 Annual Audit Letter.</p> <p>The 2016/17 audit planning has started and we will provide you with our early thoughts at the January 2017 audit committee with the Audit Plan going to the February 2017 Audit Committee.</p>
Certification of claims and returns	<ul style="list-style-type: none"> <li>• Housing Benefit Subsidy (Ben01) 2015/16 - This work is almost complete and a qualification letter has been agreed with officers and the deadline of 30 November 2016 will be met.</li> <li>• Pooling of Housing Receipts (CFB06) 2015/16 – This work is complete and certification has taken place – no issues to report.</li> <li>• Teachers Pensions Return (TP05) 2015/16 – This work is complete and certification will take place prior to the 30 November 2016 will be met.</li> </ul>
Other work	<p>The external audit of the Barnsley MBC subsidiary companies is ongoing and we will report the findings to the Directors in due course.</p>



# KPMG resources

# Inspiring innovative government

@gov is a government-focused digital magazine hosted on kpmg.com. Fresh content is added to @gov on a monthly basis and printable digest versions are produced twice annually. Each edition examines a new theme, the first of which is *Transforming government in the age of technology*.

This first edition contains a range of articles, which include articles on:

- establishing digital identities for citizens;
- government data sharing;
- the public policy imperatives of autonomous vehicles; and
- innovations in human service delivery.

The magazine can be downloaded as a PDF from [kpmg.com/atgov](https://kpmg.com/atgov)

# Chief Accountant training events

We are pleased to confirm that we will once again be running a series of local government accounts workshops for key members of your finance team. The workshops are focussed at Chief Accountants and similar staff who will be involved in and responsible for the 2016/17 close down and statement of accounts.

The workshops will be led by our regional local government audit teams supported by our national local government technical lead Greg McIntosh. Details of the agenda and dates will be provided in due course.

For more information, please contact Matthew Moore email: [matthew.moore@kpmg.co.uk](mailto:matthew.moore@kpmg.co.uk). Tel: 07468 369807

# Publication 'Value of Audit – Perspectives for Government'

## What does this report address?

This report builds on the Global Audit campaign – *Value of Audit: Shaping the future of Corporate Reporting* – to look more closely at the issue of public trust in national governments and how the audit profession needs to adapt to rebuild this trust. Our objective is to articulate a clear opinion on the challenges and concepts critical to the value of audit in government today and in the future and how governments must respond in order to succeed.

Through interviews with KPMG partners from nine countries (Australia, Canada, France, Germany, Japan, the Netherlands, South Africa, the UK and the US) as well as some of our senior government audit clients from Canada, the Netherlands and the US, we have identified a number of challenges and concepts that are critical to the value of audit in government today and in the future.

## What are the key issues?

- The lack of consistent accounting standards around the world and the impacts on the usefulness of government financial statements.
- The importance of trust and independence of government across different markets.
- How government audits can provide accountability thereby enhancing the government's controls and instigating decision-making.
- The importance of technology integration and the issues that need to be addressed for successful implementation
- The degree of reliance on government financial reports as a result of differing approaches to conducting government audits

The *Value of Audit: Perspectives for Government* report can be found on the KPMG website at <https://home.kpmg.com/xx/en/home/insights.html>

The *Value of Audit: Shaping the Future of Corporate Reporting* can be found on the KPMG website at [www.kpmg.com/sg/en/topics/value-of-audit/Pages/default.aspx](http://www.kpmg.com/sg/en/topics/value-of-audit/Pages/default.aspx)

# Publication 'Reimagine – Local Government'

KPMG have published a number of reports under the headline of *Reimagine – Local Government*. These are summarised below:

## **Council cash crunch: New approach needed to find fresh income**

- By 2020, councils must generate all revenue locally.
- More and more are looking towards diversifying income streams as an integral part of this.
- Councils have significant advantages in becoming a trusted, independent supplier.
- To succeed, they must invest in developing commercial capability and capacity.

## **Councils can save more than cash by sharing data**

- Better data sharing in the public sector can save lives and money.
- The duty to share information can be as important as the duty to protect it.
- Local authorities are yet to realise the full value of their data and are wary of sharing information.
- Cross-sector structures and the right leadership is the first step to combating the problem.

## **English devolution: Chancellor aims for faster and more radical change**

- Experience of Greater Manchester has shown importance of strong leadership.
- Devolution in areas like criminal justice will help address complex social problems.
- Making councils responsible for raising budgets locally shows the radical nature of these changes.
- Cuts to business rates will stiffen the funding challenge, even for the most dynamic councils.

## **Senior public sector pensions**

- Recent changes to pensions taxation have particularly affected the public sector, with fears senior staff may quit as pension allowances bite.
- 'Analyse, control, engage' is the bedrock of an effective strategy.

## **Time for the *Care Act* to deliver**

- Momentum behind last year's *Care Act* risks stalling.
- Councils are struggling to create an accessible care market with well-informed consumers.
- Local authorities must improve digital presence and engage providers.
- Austerity need not be an impediment to progress. It could be an enabler.

The publications can be found on the KPMG website <https://home.kpmg.com/uk/en/home/insights/2016/04/reimagine-local-government.html>

# Publication 'The future of cities'

We are delighted to share *The future of cities*, a report that helps local government leaders build and evaluate sustainable cities for their current and future generations.

## What is *The future of cities*?

*The future of cities* is a global report that follows from the UK firm's thought leadership partnership with the City of Bristol and the work surrounding its European Green Capital 2015 designation. The report is broken into two modules that draw on the expertise of KPMG practitioners around the world and includes a range of case studies to ensure you find approaches relevant to your context.

The first module, *The future of cities: creating a vision*, explains the central role of vision in the success of second cities, identifying seven guiding principles to make cities more attractive. Examples are provided of various cities around the globe that are putting some of these principles into action.

Page 90 The second, *The future of cities: measuring sustainability*, discusses some of the ways in which cities are being measured and how these metrics could evolve. More important, it provides practical examples of what leading cities are doing, the lessons to be learned and how these can be applied to other cities.

90 This content is now featured on [kpmg.com/futurecities](https://kpmg.com/futurecities) where readers can access a broader collection of reports and shorter opinion pieces from KPMG's leading thinkers on different aspects on how to create better, more sustainable places to live and work.



# Technical developments

# Appointment of external auditor

Level of impact: ● (Medium)	KPMG perspective
<p>Following the Audit Commission's closure local authority external audits are currently governed by transitional arrangements under the <i>Local Audit and Accountability Act 2014</i>, with audit contracts overseen by Public Sector Audit Appointments Ltd (PSAA). These transitional arrangements end with the audit of 2017/18 financial years, so auditors must be appointed under the new arrangements from 2018/19. In practice this decision must be made by 31 December 2017. There are three main options for local authorities to consider:</p> <ol style="list-style-type: none"> <li>1. Undertake an individual auditor procurement and appointment exercise;</li> <li>2. Undertake a joint audit procurement and appointing exercise with other bodies, for example those in the same locality; or</li> <li>3. Join a 'sector led body' arrangement where an approved third party procures audit on behalf of multiple bodies.</li> </ol> <p>As the relevant supervisory body, the Institute of Chartered Accountants in England and Wales (ICAEW) maintains a register of audit firms and 'key audit partners' who have been recognised as meeting the eligibility criteria for local audit. Whatever the approach taken, local authorities can only appoint audit firms from the ICAEW register. KPMG has been registered by ICAEW for local audit work and has 21 Partners and Directors recognised as meeting the eligibility criteria, providing comprehensive national coverage through an experienced senior team.</p> <p>For options 1 and 2, the Act requires an Auditor Panel to be established. Guidance on auditor panels at local authorities has been issued by the CIPFA – see <a href="http://www.cipfa.org/policy-and-guidance/publications/g/guide-to-auditor-panels-pdf">www.cipfa.org/policy-and-guidance/publications/g/guide-to-auditor-panels-pdf</a></p> <p>One option, subject to complying with EU procurement rules, might be to continue with your current auditor for an initial period. Although this would delay testing the market, fees could be benchmarked for reasonableness against published data or by comparing to similar bodies. This would provide stability of service in the short term and avoid the 'rush to market' as other local authorities undertake procurement exercises within a short time period, allowing tendering later in a more settled market.</p>	<p><i>Members may wish to discuss the options open to them on how to procure their auditor for 2018/19 and beyond and ensure they formulate a timetable for making this decision.</i></p>

# Appointment of external auditor (cont.)

Level of impact: ● (Medium)	KPMG perspective
<p>The Audit Commission produced a report and slide pack summarising the lessons learnt from its 2012 and 2014 procurements of audit services, providing the reader with a list of factors that contributed to the delivery of successful outcomes for both procurements. A copy of this document can be found on the PSAA website at <a href="http://www.psaa.co.uk/wp-content/uploads/2016/01/Learning-the-lessons-from-the-2012-and-2014-Audit-Commission-procurements-of-audit-services.pdf">www.psaa.co.uk/wp-content/uploads/2016/01/Learning-the-lessons-from-the-2012-and-2014-Audit-Commission-procurements-of-audit-services.pdf</a></p> <p>The lessons learnt may be helpful in generally informing procurements of audit services undertaken by individual local public bodies or collective procurement bodies under the new arrangements. However, it should be noted that the procurements undertaken by the Audit Commission were unique to the Commission's regime and the approaches taken may not be relevant in their entirety to other procurements.</p> <p>For option 3, in July 2016 the Secretary of State for Communities and Local Government specified PSAA as an appointing person under regulation 3 of the <i>Local Audit (Appointing Person) Regulations 2015</i>. This means that PSAA can make auditor appointments from 2018/19 to relevant principal authorities that choose to opt into its national collective scheme. The PSAA has written to all audited bodies inviting them to join the PSAA-led central procurement, and has given bodies until 9 March 2017 to choose to opt in. For further information, see the PSAA's website = <a href="http://www.psaa.co.uk/supporting-the-transition/appointing-person/">www.psaa.co.uk/supporting-the-transition/appointing-person/</a></p>	

# Business Rates Retention

Level of impact: ● (Medium)	KPMG perspective
<p>The Chancellor of the Exchequer has proposed some radical reforms of local government finance. The proposals are that by the end of the decade, councils will retain all locally raised business rates but will cease to receive core grant from Whitehall.</p> <p>Under the proposals, authorities will be able to keep all the business rates that they collect from local businesses, meaning that power over £26 billion of revenue from business rates will be devolved.</p> <p>The uniform national business rate will be abolished, although only to allow all authorities the power to cut rates. Cities that choose to move to systems of combined authorities with directly elected city wide mayors will be able to increase rates for specific major infrastructure projects, up to a cap, likely to be set at £0.02 on the rate.</p> <p>The system of tariffs and top-ups designed to support areas with lower levels of business activity will be maintained in its present state.</p> <p>Committee members may wish to be aware that, as a result of these proposals, DCLG has launched two consultations on its proposals for 100% retention of business rates by the local government sector.</p> <p>The first consultation seeks to identify issues that should be kept in mind when designing the reforms; the second is a call for evidence to inform the government's fair funding review of what the needs assessment formula should be following the implementation of 100% business rates retention. Both consultations closed on 26 September 2016.</p> <p>The consultation documents are available for both consultations at <a href="http://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention">www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention</a></p>	<p><i>The Committee may wish to enquire of officers whether their Authority responded to the consultation and the views expressed.</i></p>

# NAO Report on Capital Expenditure and Resourcing

Level of impact: ● (Low)	KPMG perspective
<p>Committee members may wish to be aware that the National Audit Office has published its report <i>Financial Sustainability of Local Authorities: Capital Expenditure and Resourcing</i>. This report found that local authorities in England have maintained their overall capital spending levels but face pressure to meet debt servicing costs and to maintain investment levels in their existing asset bases.</p> <p>The report can be accessed via the NAO website at <a href="http://www.nao.org.uk/report/financial-sustainability-of-local-authorities-capital-expenditure-and-resourcing/">www.nao.org.uk/report/financial-sustainability-of-local-authorities-capital-expenditure-and-resourcing/</a></p>	<p><i>The Committee may wish to seek assurances that the impact for their Authority is understood.</i></p>

# PSAA's Value For Money Tool

Level of impact: ● (Low)	KPMG perspective
<p>The PSAA's Value for Money Profiles tool (VFM Profiles) was updated on 3 October 2016.</p> <p>The VFM profiles have also been updated with the latest available data from the following sources:</p> <ul style="list-style-type: none"> <li>— General fund revenue account budget (RA) (2016/17)</li> <li>— Child and working tax credit statistics (2014/15)</li> <li>— Children in low-income families local measure (2015)</li> <li>— Chlamydia testing activity dataset (CTAD) (2015)</li> <li>— Climate change statistics: CO2 emissions (2014)</li> <li>— Collection rates for council tax and non-domestic rates in England (2015/16)</li> <li>— Council tax demands and precepts statistics (2016/17)</li> <li>— Fuel poverty sub-regional statistics (2014)</li> <li>— Homelessness statistical release (P1E) (2015/16)</li> <li>— Housing benefit speed of processing (2015/16)</li> <li>— Mid-year population estimates (2015)</li> <li>— NHS health check data (2015/16)</li> <li>— Planning applications (2015/16)</li> <li>— Schools, pupils and their characteristics (2015/16)</li> <li>— Young people from low income backgrounds progressing to higher education (2013/14)</li> </ul> <p>The Value For Money Profiles can be accessed via the PSAA website at <a href="http://vfm.psaa.co.uk/nativeviewer.aspx?Report=/profiles/VFM_Landing">http://vfm.psaa.co.uk/nativeviewer.aspx?Report=/profiles/VFM_Landing</a></p>	<p><i>The Committee may wish to seek further understanding for areas where their Authority appears to be an outlier.</i></p>

# 2015/16 Code of Practice Update

Level of impact: ● (Low)

KPMG perspective

CIPFA/LASAAC has issued an update to the *2015/16 Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) following its consultation process. The 2015/16 Code update should be read alongside the 2015/16 Code published in April 2015.

Authorities should note that the update confirms the transitional reporting requirements for the measurement of the Highways Network Asset. The Code does not require a change to the preceding year information for the move to measuring the Highways Network Asset at current value (and under that provision would not require a change to the balance sheet information at 1 April 2015). It also does not require a restatement of the opening 1 April 2016 information but there will need to be an adjustment to those balances.

The Code update also includes amendments as a result of legislative changes and particularly the *Accounts and Audit Regulations 2015* for English authorities. It specifies the principles for narrative reporting which CIPFA/LASAAC considers should be used to meet the new requirements of those regulations.

*The Committee may wish to seek assurances that their Authority is aware of the update to the 2015/16 Code.*

# Local government licensing fees

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Level of impact: ● (Low)	KPMG perspective
<p>Following referral from the Supreme Court of the United Kingdom, Advocate General Wathelet has given his opinion on the lawfulness of licence fees in a case involving Westminster City Council.</p> <p>The fee, which was for the grant or renewal of a ‘sex establishment’ licence in the City of Westminster, was made up of two parts:</p> <ul style="list-style-type: none"><li>— Part A related to the administration of the application (which is nonreturnable if the application is refused); and</li><li>— Part B (much higher) related to the management and enforcement of the licensing regime, which is refundable if the application is refused.</li></ul> <p>The Supreme Court had asked the Court of Justice of the European Union (CJEU) whether Part B constituted a “charge”, which was therefore prohibited by Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (“the Services Directive”).</p> <p>Advocate General Wathelet recommended a finding to the CJEU that the Services Directive must be interpreted as precluding Westminster from taking into account, when calculating the fee due for the grant or renewal of an authorisation, the cost of managing and enforcing the authorisation scheme (part B), even if the part corresponding to that cost is refundable where the application for the grant or renewal of the authorisation in question is refused.</p>	<p>The Committee may wish to seek assurance that the Authority has considered this judgement and has taken action to ensure that its licencing fees are calculated in an appropriate manner.</p>

# CIPFA publication on understanding the financial statements

Level of impact: ● (Low)	KPMG perspective
<p>CIPFA has published a new report titled <i>Understanding Local Authority Financial Statements</i>. This is an update of its previous publication <i>How to Tell the Story</i>.</p> <p>The report can be found on the CIPFA/LASAAC pages of the CIPFA website at <a href="http://www.cipfa.org/policy-and-guidance/technical-panels-and-boards/cipfa-lasaac-local-authority-code-board/simplification-and-streamlining-the-presentation-of-local-authority-financial-statements">www.cipfa.org/policy-and-guidance/technical-panels-and-boards/cipfa-lasaac-local-authority-code-board/simplification-and-streamlining-the-presentation-of-local-authority-financial-statements</a></p> <p>Further to this report, CIPFA/LASAAC undertook a consultation on proposals for the 2017/18 Code of Practice on Local Authority Accounting in the United Kingdom. The headline changes were:</p> <ul style="list-style-type: none"> <li>— a new principles-based approach to narrative reporting.</li> <li>— a review of the Code's provisions on going concern reporting.</li> <li>— a review of accounting policies provisions in the Code.</li> <li>— new disclosure on transaction costs for pension fund investments.</li> <li>— narrow scope amendments to International Financial Reporting Standards.</li> <li>— legislative changes.</li> <li>— a new appendix including the provisions for the Code's adoption of IFRS 9 Financial Instruments (note this new appendix will apply to the 2018/19 financial statements).</li> <li>— a new appendix including provisions for the Code's adoption of IFRS 15 Revenue from Contracts with Customers (note this new appendix will apply to the 2018/19 financial statements).</li> </ul> <p>The details of the consultation can be found at <a href="http://www.cipfa.org/policy-and-guidance/consultations-archive/201718-code-of-practice-on-local-authority-accounting-in-the-united-kingdom-invitation-to-comment">www.cipfa.org/policy-and-guidance/consultations-archive/201718-code-of-practice-on-local-authority-accounting-in-the-united-kingdom-invitation-to-comment</a></p>	<p><i>The Committee may ask whether their Authority have provided their views in the consultation.</i></p>

# NAO report – Children in need of help or protection

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Level of impact: ● (Low)		KPMG perspective
<p>The NAO has recently published a report entitled <i>Children in need of help or protection</i> which may be of interest to members.</p> <p>The report finds that the actions taken by the Department for Education since 2010 to improve the quality of help and protection services delivered by local authorities for children have not yet resulted in services being of good enough quality. NAO analysis found that spending on children’s social work, including on child protection, varies widely across England and is not related to quality. Neither the Department for Education nor authorities understand why spending varies.</p> <p>The report finds that nationally the quality of help and protection for children is unsatisfactory and inconsistent, suggesting systemic rather than just local failure. Ofsted has found that almost 80% of authorities it has inspected since 2013 are not yet providing services rated as Good to help or protect children. Good performance is not related to levels of deprivation, region, numbers of children or the amount spent on children in need. Ofsted will not complete the current inspection cycle until the end of 2017, a year later than originally planned. The Department does not therefore have up-to-date assurance on the quality of services for 32% of local authorities.</p> <p>The report also notes that children in different parts of the country do not get the same access to help or protection, finding that thresholds for accessing services were not always well understood or applied by local partners such as the police and health services. In Ofsted’s view some local thresholds were set too high or low, leading to inappropriate referrals or children left at risk. In the year ending 31 March 2015 there were very wide variations between local authorities in the rates of referrals accepted, re-referrals, children in need and repeat child protection plans.</p> <p>The report is available from the NAO website at <a href="http://www.nao.org.uk/report/children-in-need-of-help-or-protection/">www.nao.org.uk/report/children-in-need-of-help-or-protection/</a></p>		<p><i>The Committee may request assurances that their Authority are addressing the issues raised in the report.</i></p>

# Discharging Older Patients From Hospitals

Level of impact: ● (For Information)

On 26 May the NAO published a report, *Discharging older patients from hospitals*, which may be of interest to Committee members. The report is available from the NAO website at [www.nao.org.uk/report/discharging-older-patients-from-hospital/](http://www.nao.org.uk/report/discharging-older-patients-from-hospital/)

The report finds that the health and social care system's management of discharging older patients from hospital does not represent value for money. It also finds that keeping older people in hospital longer than necessary is an additional and avoidable pressure on the financial sustainability of the NHS and local government.

Following this report, the Public Accounts Committee (PAC) published a report in June 2016 following its own hearings on the matter.

The PAC report finds that older patients are increasingly experiencing delays in being discharged from hospital. Such delays are bad for their health, and for the financial sustainability of the NHS and local government. The report notes that there have been improvements and many in the NHS and local government are putting in significant efforts, but the Department of Health, NHS England and NHS Improvement have failed to address long-standing barriers to the health and social care sectors sharing information and taking up good practice. The result is unacceptable variation in local performance. The report concludes that patients and the NHS have a right to expect better.

Members may wish to be aware of the report in order to inform their planning considerations, particularly in relation to value for money arrangements. The PAC report can be found here: [www.publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/76/7602.htm](http://www.publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/76/7602.htm)

# Government contracting

Level of impact: ● (For Information)

The NAO has recently published an overview of its work on the government's management of contracting which Committee members may wish to be aware of, particularly in relation to value for money arrangements.

The publication examines subjects including the government's commercial capability, accountability and transparency, and its management of contracted-out service delivery. It finds that government now spends about £225 billion a year with private and voluntary providers. The role of providers in the public sector has evolved from relatively simple contracts to provide goods or established services, to innovative high profile commissioning arrangements in sensitive public service areas such as health and justice

The overview is available from the NAO website at [www.nao.org.uk/report/government-commercial-and-contracting-an-overview-of-the-naos-work/](http://www.nao.org.uk/report/government-commercial-and-contracting-an-overview-of-the-naos-work/)

# NAO speaks at the Institute for Government

**Level of impact:** ● (For Information)

The Comptroller & Auditor General, Sir Amyas Morse, recently made a keynote speech at the Institute for Government about the need for greater prioritisation in government, and made a case for recognising and addressing the skills gap in the civil service, particularly in digital skills.

In the light of the EU referendum result, he also highlighted the need for government to take a more strategic approach, including deprioritising some issues.

The full text of the speech can be at [www.nao.org.uk/event/keynote-speech-by-sir-amyas-morse-kcb-21-july/](http://www.nao.org.uk/event/keynote-speech-by-sir-amyas-morse-kcb-21-july/)



# Appendix

## Appendix 1

# 2016/17 audit deliverables

Deliverable	Purpose	Timing	Status
<b>Planning</b>			
Fee letter	Communicate indicative fee for the audit year	April 2016	done
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	February 2017	TBC
<b>Interim</b>			
Interim report	Details and resolution of control and process issues. Identify improvements required prior to the issue of the draft financial statements and the year-end audit. Initial VFM assessment on the Council's arrangements for securing value for money in the use of its resources.	April 2017	TBC
<b>Substantive procedures</b>			
Report to those charged with governance (ISA 260 report)	Details the resolution of key audit issues. Communication of adjusted and unadjusted audit differences. Performance improvement recommendations identified during our audit. Commentary on the Council's value for money arrangements.	September 2017	TBC

## Appendix 1

# 2016/17 audit deliverables (cont.)

Deliverable	Purpose	Timing	Status
<b>Completion</b>			
Auditor's report	Providing an opinion on your accounts (including the Annual Governance Statement). Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	September 2017	TBC
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2017	TBC
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	November 2017	TBC
<b>Certification of claims and returns</b>			
Certification of claims and returns report	Summarise the outcomes of certification work on your claims and returns for Government departments.	December 2017	TBC



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# BARNLEY MBC AUDIT COMMITTEE – INDICATIVE WORK PROGRAMME

	Mtg. No.	5*	6	6	7	1	2	3	4
Committee Work Area	Contact / Author	7.12.16	18.1.17	22.3.17	19.4.17	7.06.17	19.07.17	22.09.17	1.11.17
<b>Committee Arrangements</b>									
Committee Work Programme	WW	X	X	X	X	X	X	X	
Minutes/Actions Arising	WW	X	X	X	X	X	X	X	
Review of Terms of Reference and Self-Assessment	RW/CHAIR				X				
Training Review and Skills Assessment	RW/CHAIR				X				
Review of Terms of Reference & Working Arrangements	FF		X						
Draft Audit Committee Annual Report	RW/CHAIR				X				
Audit Committee Annual Report (Council 1/12/16)	RW/CHAIR					X	X		
<b>Internal Control and Governance Environment</b>									
Local Code of Corporate Governance	AF/AH			X					
Annual Governance Review Process and Timescales	AF/AH								
Draft Annual Governance Statement & Action Plan	AF/AH						X		
Final Annual Governance Statement	AF/AH							X	
AGS Action Plan Update	AF/AH	X							
Corporate Whistleblowing Update & Annual Report	RW				X				
Annual Fraud Report	RW					X			
Fraud Management Update / SPD Review	RW	X							
RIPA Update Report	AF/GK	X							
Review of Ombudsman Complaints	AF	X							
<b>Corporate Risk Management</b>									
Risk Management Policy & Strategy	AH				X				
Risk Management Update	AH		X						
Annual Report	AH						X		
Strategic Risk Register Review	AH	X (from 2/11/16)	X		X				
<b>Internal Audit</b>									
Internal Audit Charter & Strategy	RW			X					
Internal Audit Plan	RW			X					

WORKSHOP MEETING/TRAINING EVENT

Item 10

	Mtg. No.	5*	6	6	7	1	2	3	4
Committee Work Area	Contact / Author	7.12.16	18.1.17	22.3.17	19.4.17	7.06.17	19.07.17	22.09.17	1.11.17
Internal Audit Quarterly Report	RW	X (from 2/11/16)	X		X		X		
Annual Review of the Effectiveness of Internal Audit	RW						X		
Review of the Effectiveness of Int. Audit - Update	RW		X						
Internal Audit Annual Report	RW					X			
Corporate Fraud Team - Report	RW	X		X					
<b>External Audit (KPMG)</b>									
Annual Governance Report (ISA260 Report)	KPMG							X	
Audit Plan	KPMG			X					
Annual Fees Letter	KPMG			X					
Annual Audit Letter	KPMG	X (from 2/11/16)							
Grants Letter	KPMG								
Claims & Returns Annual Report	KPMG		X						
External Audit Progress report & Technical Update	KPMG	X	X	X	X	X	X	X	
<b>Financial Reporting and Accounts</b>									
Budget Proposal Section 25 Report	FF/NC			X					
Draft Statement of Accounts	FF/NC						X		
Corporate Finance Summary	FF/NC							X	
Corporate Finance and Performance Management & Capital Programme Update	NC	X (from 2/11/16)		X				X	
Treasury Management Annual Report	IR			X					
Treasury Mgt. Policy & Strategy Statement	IR			X					

\* Meeting to be preceded by an Information Briefing/Training Session commencing at 3.00 pm