

MEETING:	Audit Committee
DATE:	Wednesday, 5 December 2018
TIME:	4.00 pm
VENUE:	Reception Room, 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 19th September, 2018

Items for Discussion/Decision

3. Strategic Risk Register - Full Review - October, 2018 (*Pages 11 - 24*)

The Executive Director Core Services will submit a report prefacing a report that is programmed to be considered by Cabinet on the 9th January, 2018 on the latest review of the Strategic Risk Register.

4. Annual Governance Statement 2017/18 - Action Plan (*Pages 25 - 32*)

The Chief Executive and Executive Director Core Services will submit a joint report presenting the updated Action Plan relating to issues identified following the Annual Governance Review for 2017/18.

5. Risk Management Framework Review (*Pages 33 - 50*)

The Service Director Financial Services will submit a report on a further review of the Risk Management Framework seeking to provide assurance that it remains fit for purpose prior to the Framework being considered by Cabinet.

6. Annual Review of the Effectiveness of Internal Audit (*Pages 51 - 58*)

The Head of Internal Audit and Corporate Anti-Fraud will submit a report informing the Committee of the framework proposed to prepare, manage and deliver the Quality Assurance and Improvement Programme for the Internal Audit Function as required by the Public Sector Internal Audit Standards 2017.

7. Internal Audit Progress Report 2018/19 (*Pages 59 - 74*)

The Head of Internal Audit and Corporate Anti-Fraud will submit a report summarising the Internal Audit activity completed and the key issues arising for the period 1st July to 31st October, 2018 together with information regarding the performance of the Internal Audit function for that period.

Items for Information

8. Treasury Management Activities and Leasing Review - Quarter Ended 30th September, 2018 (*Pages 75 - 90*)

The Executive Director Core Services and Service Director Finance (Section 151 Officer) will submit a joint report that was considered by Cabinet on the 28th November and to be considered by Council on the 29th November, 2018 reviewing the Council's Treasury Management and Leasing Activities during the second quarter of 2018/19 in accordance with the CIPFA Treasury Management Code and the CIPFA Prudential Code.

9. External Audit - Progress Report and Sector Update (*Pages 91 - 102*)

The Council's External Auditor (Grant Thornton) will submit a report giving details about their work as at 20th November, 2018, outlining the audit deliverables for 2018/19 together with a Sector Update summarising emerging national issues and developments.

10. Audit Committee Work Plan 2018/19 (*Pages 103 - 106*)

The Committee will receive the indicative Audit Committee Work Plan for 2018/19.

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 Frosdick, Executive Director Core Services
Rob Winter, Head of Internal Audit
Neil Copley, Service Director Finance
Ian Rooth, Head of Financial Services
Adrian Hunt, Risk Management Manager
Michael Potter, Service Director Business Improvement and Communications
Louise Booth, Audit Manager

Council Governance Unit – 3 copies

Please contact William Ward on email governance@barnsley.gov.uk

Tuesday, 27 November 2018

MEETING:	Audit Committee
DATE:	Wednesday, 19 September 2018
TIME:	4.00 pm
VENUE:	Reception Room, Barnsley Town Hall

MINUTES

Present 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

24. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

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

25. MINUTES

The minutes of the meeting held on the 20th July, 2018 were taken as read and signed by the Chair as a correct record.

26. RISK MANAGEMENT ANNUAL REPORT 2017/18 AND LOOK FORWARD 2018/19

The Service Director (Financial Services) submitted a report summarising the activity in 2017/18 towards the achievement of the goals and objectives set out in the Council's Risk Management Policy and signposting further work to be undertaken in 2018/19.

The report, which was presented by Mr A Hunt, Risk and Governance Manager, indicated that the Framework was currently under review and would be considered by the Committee later in the year. He continued to lead on the provision of Risk Management, Insurance and Corporate Governance activities within the Council and had some considerable success during the year.

All risks were logged on the Council's Strategic Risk Register and had been reviewed and updated twice during 2017/18. In addition, the Council's Risk Profile had slightly decreased.

The Council's previous Risk Management Database had been replaced and 'SharePoint' was now being used to publish all operational risk registers and this was proving to be advantageous to all users and was assisting in the dissemination of information.

The 2017/18 Annual Governance Review had been completed and the subsequent Annual Governance Statement had been signed and approved.

In the ensuing discussion the following matters were highlighted:

- It was noted that the number of risks had increased during the period which was in part due to registers being published in SharePoint. This new arrangement had raised the profile, encouraged engagement which in turn had led to an increase in the number of risk register reviews taking place
- Because of the increased engagement, it was possible that a number of risk register reviews may be outstanding, however, the Risk and Governance Manager was in the process of attending all Departmental Management Team meetings and it was hoped, therefore, that all would be complete by the end of the year
- The report provided a breakdown of project risks by category as at June, 2018. It was noted that whilst there had been a significant increase in the number of Category 1 & 2 red risks, these were project related rather than strategic. A detailed discussion ensued during which reference was made to the need to be provided with additional information on the types and categories of risks, those risks over which it had limited control (such as those relating to Brexit) together with mitigation factors introduced. The Risk and Governance Manager agreed to provide additional information; however, he assured members that mitigations were not 'slipping'. The Authority was better at identifying and logging risks but it was also undertaking projects that had perhaps more inherent underlying risks.
- In response to detailed questioning, the Risk and Governance Manager explained the rationale for moving from a bespoke risk management database to Excel which was then saved into SharePoint and the benefits to be gained from this

RESOLVED:

- (i) That the Risk Management Annual Report, and the assurances provided, as part of the overall consideration of the Council's control framework for the purposes of the Annual Governance Statement, be noted; and
- (ii) That the Committee receive further periodic reports during the year to monitor the progress in achieving the actions identified for 2018/19

27. CORPORATE FINANCIAL PERFORMANCE - QUARTER 1 ENDING 30TH JUNE 2018 (CAB.5.9.2018/10)

The Executive Director Core Services submitted, for information, a report, which had been considered by Cabinet on the 5th September, 2108 on the financial performance of the Authority during the first quarter ended June, 2018 and assessing the implications against the Council's Medium Term Financial Strategy.

It was noted that the position for Council services was a projected operational underspend of £0.245m in 2018/19. The overall position for the council in 2018/19 was a projected operational underspend of £0.745m including Corporate budgets.

The Cabinet had requested Executive and Service Directors (where appropriate) to provide detailed plans of how their forecast overspends would be brought back into line with existing budgets on a recurrent basis. It had approved the write off of £1.402m of historic debts that were detailed within the Corporate Budgets section of the report and had also approved various Virements as detailed within Appendix 1.

In the ensuing discussion the following matters were raised:

- There was a discussion of the Business Rates stretch target for 2018/19. It was noted that these targets were currently being exceeded and the reasons for this were touched upon. The Service Director Finance commented upon the volatility of this type of debt and upon the external pressured that could have a negative impact throughout the financial year. The financial position for this year was stable and laid solid foundations for the difficulties the Authority may face in future years
- The Service Director Finance reported on the targeted approach to the collection of high value debts and to the use of a specialist firm in relation to recovery of such debts
- There was a discussion of the overspend on the Dedicated School Grant which mainly related to the high needs funding block and the increasing numbers and cost of out of Borough Special Educational Needs Placements. The Authority was currently examining ways of reducing this overspend and a Placement and Sufficiency Strategy was seeking to address demand and, in addition, build capacity within Borough. This area, however, remained an area of concern and additional information could be provided. The Executive Director Core Services reminded that specialist out of Borough provision was often very expensive and a few complex cases that could not be handled locally could quickly skew the budget. The Audit Manager also commented that a review of this service area was to be undertaken and a report would be submitted in the fourth quarter

RESOLVED that the report be received.

28. CAPITAL PROGRAMME PERFORMANCE - QUARTER 1 ENDING 30TH JUNE 2018 (CAB.5.9.2018/11)

The Executive Director Core Services and Service Director Finance (Section 151 Officer) submitted, for information, a report, which had been considered by Cabinet on the 5th September, 2108 on the financial performance of the Council's Capital Programme to the quarter ended June, 018 and assessing the implications against the Council's Medium Term Financial Strategy.

The key headlines for the report indicated that:

- The position of the Capital Programme for the 2018/19 financial year was currently projected to be lower than anticipated expenditure of £7.031m; and
- The position of the Capital Programme over the five year period to 2022/23 was currently projected to be lower than anticipated expenditure of £0.919m

The Cabinet had noted the 2018/19 and overall five year Capital Programme positions and had approved the 2018/19 scheme slippage totalling £6.095m (which, it was noted could be well handled). It had also approved a total net decrease in scheme costs in 2018/19 of £0.936m and a net increase in scheme costs in future years of £0.017m.

RESOLVED that the report be received.

**29. TREASURY MANAGEMENT ACTIVITIES AND INVESTMENT PERFORMANCE -
QUARTER 1 ENDING 30TH JUNE 2018 (CAB.5.9.2018/12)**

The Executive Director Core Services and Service Director Finance (Section 151 Officer) submitted, for information, a report, which had been considered by Cabinet on the 5th September, 2108 reviewing the Council's Treasury Management and leasing Activities during the first quarter of 2018/19 in accordance with the CIPFA Treasury Management Code and CIPFA Prudential Code.

The report gave details of the following:

- The agreed Treasury Management Strategy for 2018/19
- An Economic Summary
- The Council's borrowing and leasing activity
- The Council's Investment activity
- Prudential and Treasury Indicators for 2018/19

The Cabinet had noted the Treasury Management and Leasing Activities carried out within the first quarter together with the Prudential and Treasury Indicators as detailed within Appendix 1 of the report.

The Committee briefly discussed the increase in interest rates and the implications this could have for the Authority. It was reported that the increase in rates had been anticipated and there was a further discussion of possible increases over the next 18 months.

RESOLVED that the report be received.

**30. HEALTH, SAFETY AND EMERGENCY RESILIENCE ANNUAL REPORT 2018
(CAB.5.9.2018/13)**

The Executive Director Core Services submitted, for information, a report, which had been considered by Cabinet on the 5th September, 2018 presenting issues raised within the 2017/18 health and Safety report and providing a comprehensive overview of health and safety performance within the Authority.

The Executive Director particularly commented on the excellent work and success of the Team given the limited number of officers involved in the Service.

Mr S Dobby, Head of Corporate Health, Safety and Emergency Resilience reported that there had been fewer accidents over the year which compared favourably to national data. The majority of audits had shown a satisfactory level of compliance with the Council's Governance arrangements for health and Safety and the FIDOR reportable accident performance, when compared to national statistics, remained favourable. Opportunities for further improvement, however, had been identified and an action plan, had been prepared which outlined the action to be taken.

The Cabinet had noted the Annual Report and had supported the continuous efforts to improve upon performance in this area.

RESOLVED that the report be received.

31. INFORMATION COMMISSIONERS OFFICE AUDIT - FINAL ACTION PLAN AND OUTCOMES

The Service Director Customer, Information and Digital Service submitted a report providing information on the final data protection audit outcomes and giving details of the progress made against each of the recommendations of the Information Commissioner following the consensual audit undertaken in October, 2017.

The Committee was reminded that the audit had focussed on three areas, namely, training and awareness, records management and Freedom of Information processes. A follow up review had been planned for the 24th September, 2018 but this had been delayed at the request of the Information Commissioner's Office until October, 2018. Due to the excellent progress made, however, the Council had continued its commitment to have the process completed by the end of September as planned and, therefore, it would be submitted on the 21st September, 2018.

Of the 108 recommendations made:

- Training and awareness – all 25 recommendations had been completed
- Records management – 40 out of the 48 recommendations were complete
- Freedom of Information – 27 of the 35 recommendations were complete (it was noted that 5 of the recommendations had been rejected by the Council as they were not reflective of the Council's processes or procedures.

Ms Hydon reported on the reasons for the delay in completing the recommendations which largely related to the scale of work required, the need to change processes and procedures across the Council as well as the introduction of new systems such as SharePoint. An internal pre audit was due to be completed next week and in relation to records management, it was noted that the ICT systems policy was in the final stages of preparation.

In the ensuing discussion reference was made to the following:

- In response to questioning, reference was made to the arrangements for dealing with Freedom of Information Act requests and to the discussions undertaken on occasions to try to ensure that information could be provided in a way which did not breach the 'time' threshold
- Arising out of the above,
 - there was a discussion of the ways in which charges could be levied in relation to FOI requests and to the Authority's stance on this
 - information was provided on the types of 'recurrent' FOI requests that were received
- Of the outstanding recommendations for Records Management, 5 were in the 'urgent' category and these had been delayed because of the need to introduce new systems such as SharePoint. Work had started on this but it was anticipated that this would not be complete until around 2020. The new systems would give a better coherence around the collection and storage of electronic data

RESOLVED:

- (i) that Ms S Hydon Head of IT (Service Management) be thanked for attending the meeting and for answering Members questions; and
- (ii) that the report be received and the progress made in addressing the issues arising from the ICO audit be noted.

32. SICKNESS ABSENCE 2017/18

The Service Director Human Resources and Business Support submitted a report on the position with regard to sickness absence for the financial year 2017/18 and providing a comparison and summary for the whole of the financial year 2017/18 with the previous financial year 2016/17.

In summary, the report indicated that the total lost days per employee of 7.87 days was an improvement on the overall days lost compared to both 2015/16 and 2016/17 and this was less than the public sector average of 8.5 days absence in the previous year. This figure was, however, higher than the private sector of 5.6 days lost per employee.

Whilst this was an improving picture, there was still a need to significantly improve the management of sickness absence to achieve the Council's future performance indicator target of 6 days per employee for 2018/19.

The report then went on to outline:

- the ways in which the Human Resources Wellbeing and Targeted Intervention Team would provide advice and support to managers
- other initiatives including Wellbeing Initiatives and Work Place Health Champions all of which aimed to improve sickness absence.

In the ensuing discussion the following matters were raised:

- it was noted that the main reason for absence during 2017/18 was due to mental health issues including stress, anxiety and depression. In response, an action plan had been prepared to try to identify the signs of stress so that appropriate mechanisms could be put in place to give additional help and support
- the difficulties of identifying causation factors of stress were discussed and the involvement of Occupational Health in this was highlighted
- arising out of the above, the Service Director referred to recently commissioned Government research on thriving at work which, amongst other things, examined interventions and the importance of recognising when staff were under stress
- The involvement of the Senior Management Team was referred to and it was noted that the Team also has a mental Health Champion
- It was noted that appropriate training events were being planned for the near future
- The impact of the staffing reductions over the last 10 years were referred to which, it was suggested, might be one of the causation factors of stress. The

reduction in the number of days absence per employee was, however, something to be applauded

RESOLVED that the report be received and that Mrs A Brown be thanked for attending the meeting and for answering Members questions.

33. EXTERNAL AUDIT - AUDIT FEE LETTER

The Council's External Auditor (Grant Thornton) submitted their Audit Fee Letter detailing the planned audit fees (including the way these had been calculated) for the work to be undertaken during 2018/19. It was noted that this fee was £104,718.

The report also outlined the scope of the audit, the billing schedule and audit timetable together with information about the arrangements for undertaking additional work for which separate fees would be agreed.

RESOLVED that the audit fee letter be received.

34. EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE - SEPTEMBER 2018

The Council's External Auditor (Grant Thornton) submitted a report giving details about their work both nationally and internationally, their work with the Public Sector, their audit approach, the progress made as at 6th September, 2018 and outlining the audit deliverables for 2018/19 together with a Sector Update summarising emerging national issues and developments.

The report was introduced by Mr G Mills (Grant Thornton Engagement Lead) and was accompanied by Mr T DeZoysa who were welcomed to this their first meeting of the Audit Committee.

RESOLVED that the external audit progress report and Sector Update be noted.

35. AUDIT COMMITTEE WORK PLAN 2018/19

The Committee received a report providing the indicative work plan for the Committee for its proposed scheduled meetings for the remainder of the 2018/19 municipal year and for 2019/20.

The Executive Director Core Services reported that update report on the Glassworks project would be submitted to the December meeting.

It was noted that the Workshop meeting was planned for the 31st October, 2018 and any members with suggestions for topics for discussion should contact the Chair.

RESOLVED that the core work plan for 2018/19 and 2019/20 meetings of the Audit Committee be approved and reviewed on a regular basis.

36. GENERAL DATA PROTECTION REGULATIONS (GDPR) - DATA PROTECTION OFFICER'S UPDATE REPORT

The Data Protection Officer submitted a report providing an update regarding the discharging of his role and the general approach to testing compliance with the requirements of the General Data Protection Regulations and the Data Protection Act 2018.

The Executive Director Core Services reported that there was a clear strategy in place to ensure compliance with all the regulations. Evidence around compliance would now be obtained and this would enable the identification of specific priority areas. The Authority's procedures and processes were well advanced compared to many other areas within the sector.

Particular thanks were expressed to the Head of ICT (Service Management) and her team for all their hard work both in respect of the Information Commissioner's Audit but also for ensuring that the appropriate and necessary IT processes were in place in preparation for the introduction of this new legislation.

RESOLVED:

- (i) That the report be received and that the Committee notes that the Data Protection Officer role is being effectively planned and discharged and provides the Council with appropriate information and assurances with regard to compliance with the General Data Protection Regulations;
- (ii) That DPA information and assurance reports be submitted to Committee on a six monthly basis; and
- (iii) That a further information/awareness session be held on the General Data Protection Regulations and the role/work of the Data Protection Officer.

.....
Chair

AUDIT COMMITTEE – 5^h December 2018

STRATEGIC RISK REGISTER – Full Review October 2018

1. Purpose of the Report

- 1.1 This brief covering note presents the draft Cabinet Report relating to the latest review of the Strategic Risk Register (SRR), which has been programmed for consideration by Cabinet on the 9th January 2019.
- 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 provides feedback 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 Strategic Risk, Insurance and Governance Manager; and,
- 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.

Contact Officer: Strategic Risk, Insurance and Governance Manager
Telephone: 01226 77 3119
Date: 5th November 2018

CABINET – 9th January 2019

STRATEGIC RISK REGISTER – Full Review October 2018

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 2018, a further review of the SRR was undertaken in October 2018. 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 has been included as an appendix to previous reports, and can now be located on the BMBC intranet [here](#).

4. Highlights Arising from the October 2018 Review

- 4.1 The main issues and changes arising from the October 2018 review are shown below:
- 4.2 Significant / 'Red' Risks:
- 4.2.1 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
Consequences:	
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.	
Mitigations:	
Delivery of Public Health Strategy and Action Plan Local Accountable Care Partnership – working across whole system	

During the review meeting, the Director of Public Health was again challenged to consider whether the risk score could be changed. It was agreed to leave this risk as 'red' as analysis of the data that underpins this risks confirms that at this time the risk is not improving.

4.3 New and Deleted Risks:

4.3.1 The total number of risks logged in the SRR has decreased by one:

- Risk 3024 ('Lack of Educational Attainment') has been removed, and replaced by risk 4248 regarding a 'Lack of adequate qualifications at L3 and above to progress through to further and higher education';
- Risk 3514 ('Failure to be able to deliver the ambitions and outcomes associated with the Customer Strategy Implementation Programme') has been removed as this programme of activity has been superseded by the Council's 'Digital First' programme';
- Risk 3699 ('Failure to ensure the Council's commercial / trading arm is effective in its operations, and is a well governed organisation) has been removed due to de-commitments in this area; and,
- Risk 4249 ('Failure to ensure that the Council is able to fully understand the implications of BREXIT, and is able to ensure that opportunities that may arise are fully understood and exploited) has been added to the SRR.

4.4 Re-Assessed Risks:

4.4.1 A significant number of risks have been reassessed, resulting in changes to risk concern ratings as follows:

- Risk 3025 ('Failure to safeguard vulnerable service users') has been reduced from an amber '3' to an amber '4' risk, which reflects an increase in the assurance arrangements within the People Directorate as a result of:
 - ✓ An increased capacity to undertake quality audits of Adults Services;
 - ✓ Positive assurances provided by recent regional self-assessments; and,
 - ✓ Recent OFSTED validation of the above self-assessment which was confirmed as being accurate and correct.
- Risk 3792 ('Failure to be prepared to assist in the event of an emergency resilience event in the region') has been reduced from a red '2' to an amber '3' as a result of increased confidence in the Councils ability to respond in a proportionate and robust manner in the event of a significant incident in the region. For example, the Council's response to the Town Centre incident on September 2018 provided assurances regarding the speed and effectiveness of the multi-agency response that was put in place;
- 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') has been reduced from a red '2' to an amber '3' as a result of a recent IT outage in early September 2018 resulting in a loss of IT systems for around 24 hours. This incident was subsequently analysed, which provided valuable assurances in terms of the Council's ability to recover in a managed and ordered fashion;

- Risk 3022 ('Inability to direct corporate strategy') has been reduced from an amber '4' to a green '5' due to a lack of friction relating to Area Council commissioning activity.

4.5 Other Material Changes:

- 4.5.1 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 One to this report.

5. Risk Profile

- 5.1 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 2018)	Percentage (as at Oct 2018)	Number of Risks (as at March 2018)	Percentage (as at March 2018)	Number of Risks (as at Oct 2017)	Percentage (as at Oct 2017)	Number of Risks (as at March 2017)	Percentage (as at March 2017)
1	0	0%	0	0%	1	5%	0	0%
2	1	5%	3	15%	3	15%	3	16%
3	10	53%	7	35%	6	30%	5	26%
4	6	31%	9	45%	8	40%	9	47%
5	2	11%	1	5%	2	10%	2	11%
6	0	0%	0	0%	0	0%	0	0%
Total	19	100%	20	100%	20	100%	19	100%

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

	Period										
	Oct 2013	Feb 2014	Sept 2014	Feb 2015	Oct 2015	Mar 2016	Oct 2016	Mar 2017	Oct 2017	Mar 2018	Oct 2018
Average Risk Concern Rating	3.47 ↓	3.47 →	3.35 ↓	3.5 ↑	3.47 ↓	3.37 ↓	3.35 ↓	3.52 ↑	3.45 ↓	3.4 ↓	3.47 ↓

- 5.3 The slight improvement in the average concern rating is directly attributable to the changes detailed in section 4 of this report.

6. Assurance

- 6.1 This report and the SRR (which is attached to this report as Appendix Two) itself will be submitted to the Audit Committee at their meeting dated 5th December 2018, in order to provide assurances that these significant risks are being managed appropriately.
- 6.2 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.

7. Future Review of the SRR

7.1 The developing Managers Toolkit and Accountability Framework will provide a robust control in terms of the engagement of senior members of staff with the Strategic Risk Management approach, and will no doubt also have a beneficial impact on the engagement with risk management across the Council.

7.2 Work has begun to consider the style of the reports being presented to the Audit Committee and Cabinet in respect of Strategic Risk Management. It is likely future reports will benefit from infographics and pictograms to demonstrate the changes made to the Councils Strategic Risk Register.

8. Delivering Corporate Plan Ambitions

8.1 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.

9. Risk Management Issues

9.1 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.

9.2 Failure to develop the SRR will present a significant risk to the successful implementation of the required Risk Management culture within the Council.

10. Financial Implications

10.1 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.

11. Appendices

Appendix One: Direction of Travel / Trend Report

Appendix Two: Full SRR as at October 2018

12. Background Papers

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

Contact Officer: Strategic Risk, Insurance and Governance Manager

Telephone: 01226 77 3119

Date: 5th November 2018

Appendix One: Direction of Travel / Trend Report (October 2018)

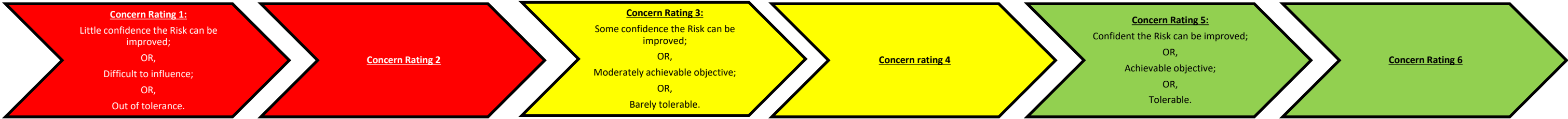
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Risk Number	Risk Title	Oct 2018	Mar 2018	Oct 2017	Mar 2017	Oct 2016	Mar 2016	Sept 2015	Feb 2015	Sept 2014	Feb 2014	Oct 2013	June 2013
3022	Inability to direct Corporate Strategy	5 ↑	4 ↑	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 -
3023	Failure to consult and engage with Stakeholders	5 ⇄	5 ↑	4 ⇄	4 ↑	3 ⇄	3 ⇄	3 ⇄	3 ↑	2 ↓	3 ⇄	3 ⇄	3 -
3024	Lack of Educational Attainment	Closed -	4 ⇄	4 ⇄	4 ⇄	4 ↑	3 ⇄	3 ↓	4 ⇄	4 ⇄	4 ⇄	4 ↑	3 -
3025	Failure to Safeguard Vulnerable Service Users	4 ↑	3 ⇄	3 ⇄	3 ⇄	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 ⇄	2 ⇄	2 ⇄	2 ⇄	2 -
3028	Workforce planning issues	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ⇄	3 ↓	4 -
3029	Failure to safeguard personal and identifiable information	3 ⇄	3 ↓	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ↑	3 ⇄	3 ⇄	3 ↓	4 -
3031	Strategic Performance, Governance or Compliance failure	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 -
3033	Failure to adapt the Authority into a sustainable organisation ('Failure to maintain current Services)	4 ⇄	4 ⇄	4 ⇄	4 ⇄	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')	4 ⇄	4 ⇄	4 ⇄	4 ↑	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 ⇄	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 ⇄	3 ⇄	3 ⇄	3 ⇄	3 -
3514	Failure to be able to deliver the ambitions and outcomes associated with the Customer Service Organisation (CSO) Programme	Closed -	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 -	-	-	-	-
3543	Failure to ensure the adequate supply of land for housing and commercial property growth	4 ⇄	4 ⇄	4 ⇄	4 ⇄	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	Closed -	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 ⇄	4 -	-	-	-	-	-
3792	Failure to be prepared to assist in the event of an emergency resilience event in the region	3 ↑	2 ⇄	2 ⇄	2 ⇄	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	3 ↑	2 ⇄	2 ⇄	2 ⇄	2 ⇄	2 -	-	-	-	-	-	-

Risk Number	Risk Title	Oct 2018	Mar 2018	Oct 2017	Mar 2017	Oct 2016	Mar 2016	Sept 2015	Feb 2015	Sept 2014	Feb 2014	Oct 2013	June 2013
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	3 ⇄	3 ⇄	3 ↓	4 ⇄	4 ⇄	4 -	-	-	-	-	-	-
4154	Failure to achieve the full benefit of our change work to date and to ensure it is sustainable for the future	4 ⇄	4 -	-	-	-	-	-	-	-	-	-	-
4170	Failure to ensure the Glassworks Programme delivers the appropriate levels of retail, market and leisure space that allows for a robust level of return on investment to be made that allows the Council to recover its borrowing within a suitable timescale and deliver the positive impacts on the Town Centre and wider economic landscape	3 ⇄	3 -	-	-	-	-	-	-	-	-	-	-
4248	Lack of adequate qualifications at L3 and above to progress through to further and higher education	3 -	-	-	-	-	-	-	-	-	-	-	-
4249	Failure to ensure that the Council is able to fully understand the implications of BREXIT, and is able to ensure that opportunities that may arise are fully understood and exploited, and that risks arising from BREXIT are understood and mitigated	3 -	-	-	-	-	-	-	-	-	-	-	-

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Strategic Risk Register - as at October 2018



Priorit y	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Mar-17	Oct-17	Mar-18	Oct-18	Risk Mitigation Action	Owner	% comp	Review Date
PEOPLE ACHIEVING THEIR POTENTIAL	3543	Failure to ensure the adequate supply of land for housing and commercial property growth	<p>Without an adequate supply of land, the Council will face:</p> <ul style="list-style-type: none">• A decline in the Town Centre;• Decline in the value and quality of available housing stock;• A Decline on the overall Council Tax base available;• Lack of a conducive environment for developers;• Negative impact on Jobs and Business Growth Plan;• Lack of overall positive impact on the local Economy. <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> <p>Schemes that have been successful in obtaining external funding must be able to demonstrate adequate progress towards achieving their ambitions within appropriate timescales or face the risk of having the external funding removed;</p>	SMT SMT	<p>Local Plan - Examination in public (May, July and October 2017) followed by adoption in early Spring 2018. Examination and consultation process underway;</p> <p>Strategic Business Park - Working with Sheffield City Region regarding SCRIF funding to facilitate the development of Strategic Business Park infrastructure;</p> <p>Property Investment Fund - Working with Sheffield City Region regarding JESSICA funding to facilitate the identification of land to build speculative developments to aid commercial growth;</p> <p>Glassworks Programme - Ambitious programme of redevelopment with Barnsley Town centre which includes new developer led retail offer;</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>Enterprising Barnsley schemes focusing on attracting inward investment, investing in infrastructure, growing existing businesses and encouraging higher activity start ups;</p> <p>Strategies in place include Jobs and Business Growth Plan, Transport and Employment and Skills that aim to make the Borough a thriving and unique place to live, work, visit and trade;</p> <p>Quarterly Developer Forums in place to ensure the Council is consultations throughout 2016 and 2017 - plans were submitted to Planning Inspectorate in December 2016 - feedback provided in December 2017 - Plan progressed to Stage 3 in early October 2017;</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 (GREEN)</p>	4	4	4	4	<p>The timescale for the adoption of the Local Plan is to be confirmed, however the current estimate is Winter 2018 - Internal verification process with Inspector prior to publication;</p>	ED Place	90% Green	31/03/19
										<p>Delivery of SCRIF Programme:</p> <ul style="list-style-type: none">• M1 J36 Phase One Business Park - infrastructure completed, development of business park has been held up by Local Plan• M1 J36 Phase Two Business Park - full business case has been submitted to Sheffield City Region for approval (subject to Local Plan adoption)• M1 J37 Business Park - Outline business case approved be Sheffield City Region• Phase One - full business case approval is in negotiation• Phase Two - full business case is in development and subject to Local Plan approval	ED Place	85% Green	31/03/19
PEOPLE ACHIEVING THEIR POTENTIAL	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 made more significant due to a rise in the number of referrals (a 21% increase in the last 12 months) along with many cases having high levels of complexity which is affecting the overall capacity of the Service;</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, vulnerable adults, 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>Opportunities to undertake Lessons Learnt reviews are fully exploited by the Safeguarding Board (including regional and joint learning);</p> <p>Service Delivery Plans / Business Plans;</p> <p>Service Improvement Plan (Children's) developed to deliver OFSTED Safeguarding Recommendations;</p> <p>Overview and Scrutiny arrangements;</p> <p>Action Plan developed using OFSTED inspection framework;</p> <p>Adults Social Care Peer review (which looked at the use of resources) - outstanding actions consolidated into Business Plan for 2019;</p> <p>Making Safeguarding personal programme - outstanding actions consolidated into Business Plan;</p> <p>Adults and Childrens Safeguarding Business Plans refreshed 2018;</p> <p>Review of Governance and Performance Arrangements undertaken for Stronger Community Partnership who own the Early Help workstream;</p> <p>More capacity in place to be able to assess quality in Adult Services;</p> <p>Regional Self Assessment undertaken against the OFSTED Framework in October 2017 - action plan developed;</p> <p>More forensic self-evaluation undertaken in March 2018 and this has been provided to OFSTED as part of their unplanned visit in October 2018 which has confirmed Barnsley's self-assessment to be accurate and valid;</p> <p>Safeguarding Week 2018 successful;</p> <p>Outcomes:</p> <p>Children and Adults are safe from harm (GREEN)</p>	3	3	3	4	<p>Adults Safeguarding - development of outcome based Performance Framework - use of qualitative data to improve outcomes</p>	ED People	40% Green	31/03/19
										<p>Delivery of Action Plan following self-assessment against OFSTED Framework</p>	ED People	90% Green	31/03/19
										<p>Planning for Safeguarding Awareness Week 2019</p>	ED People	0% Green	31/03/19
										<p>Outcomes of OFSTED evaluatuion of self-assessment will feed into next iteration of Business Plans</p>	ED People	0% Green	31/03/19

Priorit y	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Mar-17	Oct-17	Mar-18	Oct-18	Risk Mitigation Action	Owner	% comp	Review Date
ID	3026	Failure to achieve a reduction in Health inequalities within the Borough.	Life expectancy in Barnsley remains well below the national average and varies between different parts of the borough; 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; The cost of health inequalities is borne not just by health and social care services and parents, carers and children, but by employers and the local economy; 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; Available evidence shows that health is closely associated with people's standard of living, occupation, level of education and where they live;	SMT SMT	Various plans and strategies in place with key partners aimed at addressing health inequality; 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; Public Health Strategy and Implementation Plan has been considered by H&WB Board and includes references the Sustainability Transformation Plan (STP); Tobacco and Alcohol prevention plans link to STP and the local Barnsley Plan feeds into this also; Barnsley Place Based Plan has been developed and feeds into the STP (which acts as the delivery vehicle for the health and Wellbeing Partnership); Current Life Expectancy data justifies the maintenance of this this risk rating - refreshed life expectancy data is published inDecember 2018, with local electoral ward level analysis scheduled for Qtr4 of 2018 - the analysis of this data may justify a review of the risk rating at that time; Outcomes: People are happier, healthier, independent and active (AMBER)	2	2	2	2	Public Health Strategy 2018 - 2021 - Cabinet approval in 2018 - Delivery of Action Plan which provides a focus on three key areas: • Resilience; • Food; • Alcohol; Which complement the existing strands of Tobacco, Oral Health and Physical Activity. Local Accountable Care Partnership (which includes representation from BMBC) developed which is responsible for delivery of the Place Based Plan and includes responsibility for delivering Place based elements of the STP and Health Lives workstream - ongoing development in this area include working across whole health system and ensuring health issues have a suitably high profile within the group 18/19	Director Public Health	25% Green	31/03/19
	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	Liaison with NHS and Public Health England regarding large scale response; Currently Barnsley has above average coverage regarding public health related screening and vaccinations; Health Protection Board functioning well; BMBC DPH is co-chair of Local Health Resilience Partnership; HPB established – good engagement from partners at local and regional meetings and proportionate systems are in place;	3	3	3	3	Audit of Health Protection Arrangements undertaken - national audit programme has identified a number of improvement opportunities, but some rely on national guidance to implement - Good practice is in place and regular training excercises are designed to test Health Protection Arrangements	Director Public Health	50% Green	31/03/19
	3023	Failure to consult and engage with stakeholders	Non ability to explain Councils 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; Increased community tensions as a result of Brexit decision resulting in a loss of community cohesion and increased incidents of hate crime;	SMT SMT	Community Engagement Strategy; Town Spirit - making clear exactly what the Council offers and sets out what support is needed from people living and working in Barnsley; Supported by the Love Where You Live campaign (3,500+ volunteers have stepped forward to support their communities in different ways, and the work of all of our communities was recognised in March 2017 when Barnsley won the Local Government Chronicle Award for Community Involvement). Residents' survey - 20% of residents would like to get involved in their local community and to improve their neighbourhood; Review of voluntary, community and social enterprise infrastructure undertaken; Smart Survey arrangements in place to replace U-Engage; Outcomes: People volunteering and contributing towards stronger communities (GREEN)	4	4	5	5	Refresh of Community Engagement Strategy that underpins Stronger Communities Partnership and Community Safety Partnership (council, not multi-agency) - revised Community Engagement Strategy and Implementation Plan developed to underpin the 'deal' between the Council and its stakeholders - strengthening of relationship between Council, Partners and Stakeholders Development of 'Town Spirit' as part of Barnsley Deal aiming to recast relationship between the Council and Communities - specific Talkabouts in place for 2018 and will be included within future Induction Training	ED Communiti es / ED Core	65% Green	31/03/19
	3792	Failure to be prepared to assist in the event of an emergency resilience event in the region	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; Recent responses to emergency events 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 and reviewed in 17/18; 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'; Ward Alliances encouraged to consider and develop Community Flood plans - Dodworth, Darfield and Penistone visited; Corporate Resilience Plan reviewed following transition to Future Council; Exercise Refresh - October 2018; All Business Unit / Service continuity plans reviewed in 17/18 - some gaps identified which were highlighted to SMT in Spring 2018 which will include a 'check and challenge' session with relevant business units / service representation; Business Units now have the appropriate skills to be able to develop their own BCPs and resilience arrangements;	2	2	2	3	Flooding report being developed for SMT in Spring 2018 - will be asking Ward Alliances for copies to their own Flood Plans which will then feed into the Overview and Scrutiny task and finish group analysis which is currently in draft and will be published in 2018	Executive Director, Core Services	50% Green	31/03/19
	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; The Council could be held to ransom by third parties demanding financial compensation on return for our data;	SMT SMT	Working with Health and Safety and Emergency Resilience Service; Data Centre located at Beevor Court; Working with Business Units to understand their requirements; Informal testing programme in place; Power supplies tested on a weekly basis; Infrastructure Team in place to provide limited support out of hours / weekend activities; In the event of ransom, seek advice and guidance from the National Cyber Security Centre and Yorkshire and Humber Cyber Crime Unit (police) - general advice is do not pay ransoms - issue will be escalated to ED Core and CX; Exercise 'Refresh' in 2018 focused on an IT outage incident, and was complemented by an actual IT outage incident in September 2018;	2	2	2	3	Immediate / 24 hour priority services identified and aligned with IT systems with the external data centre. This has now being mapped by the Enterprise Architect team and the 'top' 30% technical dependent systems identified - the recovery order is yet to be agreed Following development of recovery order, consider how best to undertake a 'safe' test of arrangements in place - likely to be a recommendation to the Information Governance Board as to whether a test could be undertaken in a manner that can guarantee a speedy and robust recovery	Executive Director, Core Services	60% Green	31/03/19
	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;	SMT SMT	Council Constitution; 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'; Private / informal 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; 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	4	5	Monitor and Review Area Council activity (in terms of Area Council Coordinating Group, Area Council Commissioning Group and Area Council Chairperson Group) and revised Ward Alliance Arrangements (18/19) Monitor and review the implementation and effectiveness of revised Contract Procedure Rules to deal with commissioning of internal services from Area Council budgets (18/19)	Executive Director, Core Services	50% Green	31/03/19

Priorit y	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Mar-17	Oct-17	Mar-18	Oct-18	Risk Mitigation Action	Owner	% comp	Review Date
ONE COUNCIL ENO	3028	Workforce planning issues	The Council requires 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; Organisational Development Strategy monitoring reports to Scrutiny; Regular progress reports against Future Council characteristics to SMT; NW Employers session - workforce planning now a more important element of Business Planning processes; Workforce Planning arrangements now embedded into Business Planning activities; New P&DR Arrangements in place;	3	3	3	3	Delivery of Organisational Improvement Strategy (2017 - 2020) including oversight and governance arrangements being delivered by Organisational and Improvement Board 18/19 - monitoring arrangements undertaken via Organisational Improvement Board	Executive Director, Core Services	60% Green	31/03/19
										Delivery of SAP Success Factors - in relation to succession and development and workforce planning - 3rd phase 2020 - 2021	Executive Director, Core Services	0% Green	31/03/19
	3029	Failure to safeguard personal , identifiable information	Breaches of GDPR / DPA legislation; Potential ICO fines and censure; Poor relationship with ICO; Embarrassment or personal loss to the customer; Reputational damage to the Council; Poor data quality; Missed opportunity to link Council records with partners to improve data quality and preventative services; Considerations have not formally been assessed for peoples privacy impacts;	SMT SMT	Policies all reviewed and published; ICO consensual Audit 2017 - concluded that the Council had provided 'reasonable assurances'; Engaged with an external health check auditor / advisor with annual audit support; PSN achieved on 16/08/2018; Monitoring of all denial of service attacks; Training released to all employees regarding the importance of records management and retention periods; Annual GDPR training undertaken; Incident reporting processes in place, and easy to inform; Caldicott Guardian, DPO and SIRO are all actively involved when a serious breach is identified; Incidents are all reported into the Information Governance Board and Audit Committee; Administrative procedures, contain the breach and collect documentation; Phishing and vishing are regularly (4x per year) undertaken across all users and reported into the Information Governance Board and Service Directors; All systems administrators and those using cloud technology always use multi-factor authentication; Phase 1 - Information Flow Mapping has been undertaken capturing all the risks, information sharing agreements etc. Phase 2 - to include systems, security considerations and business data; IT Project Management includes DPIA's within both business cases and project initiation documents; Corporate Business Cases include DPIA template; Training has been deployed (GDPR) which includes DPIA's and why they are required; DPO role assigned; DPO trained to a basic level; Internal Audit days included in plan to support DPO; DPO attending IS Board and IG Team meetings; DPO undertaking continuous training;	4	4	3	3	All GDPR outcomes to be monitored and reviewed during 2018/19 by DPO and Internal Audit Action Plan; Line managers to discipline those employees who regularly breach the Act; Undertake regular audits with previous comparisons of similar exercises to check for 'offenders'tion Flow Mapping revisited and regularly reviwed with Business Units; Existing Governance and Security policies to be reviewed annually, and amended as appropriate;	Executive Director, Core Services	75% Amber	31/03/19
										Cyber Essentials Plus to be submitted on behalf of the Council (31/12/2018) Monitor and review 2018/19 with external health check partners	Executive Director, Core Services	85% Amber	31/03/19
										Build into HR and ITIL processes for movers, changers and leavers for the management of user access to council systems	Executive Director, Core Services	30% Amber	31/03/19
										Provide Service Directors with assurances regarding their customer / client information being considered for privacy impacts - IT projects 100%, other projects delivered within the Council unsure percentage, but is likely to be low	Executive Director, Core Services	70% Amber	31/03/19
										DPO work / action plan being developed ; Reporting arrangements to be determined;	Executive Director, Core Services	60% Amber	31/03/19
	3031	Strategic Performance, governance or compliance failure	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.	SMT SMT	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; Improvements to the recording of officer delegated decisions to ensure this is in line with legislation completed via AGS Action Plan;	4	4	4	4	Monitoring of AGS Action Plan (18/19)	Executive Director, Core Services	50% Green	31/03/19
										Development of Managers Toolkit and Accountability Framework	Executive Director, Core Services	15% Green	31/03/19
										Monitoring the effectiveness of revised Standing Orders (18/19)	Executive Director, Core Services	50% Green	31/03/19
	3033	Failure to adapt the Authority into a sustainable organisation - 'Failure to maintain current services'	The need to balance the books, gain efficiencies and meet new demands could lead the Council into drastic measures that could increase long-term risks and costs, both to the organisation as well as to the community; The Council 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; Need to ensure that the Council has the right people to ensure sustainable opportunities are being exploited to their maximum.; 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.	SMT SMT	Council Constitution; Performance Management Framework; Growing Barnsley's Economy (2012-2033) - Economic Strategy; BMBC Digital First Programme; Integrating areas of work and consideration of new Service Delivery models such as traded services or social enterprise; Significant investment in leadership and mamagement training throughout the Council, including the 'Future Leaders' apprenticeship programme; Future Council Strategy and Workforce development refreshed and approved by Cabinet in March 2017; New Corporate Plan 2017-2020 developed and published; Talkabout sessions throughout 2017 (business planning and 'golden thread') and 2018 (Town Spirit); Organisational Improvement Strategy 2017 - 2020 in place and being monitored;	4	4	4	4	Corporate Talkabouts being developed for Spring / Summer 2019	Executive Director, Core Services	10% Green	31/03/19
										Development of Performance Management Arrangements for 2018 and beyond - new reporting arrangements	Chief Executive	25% Green	31/03/19

Priorit y	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Mar-17	Oct-17	Mar-18	Oct-18	Risk Mitigation Action	Owner	% comp	Review Date
	3034	Failure to deliver the Medium Term Financial Strategy and its underlying financial assumptions	Unsustainable financial position for the Council; Requirement for further KLOE process and consequential impact on front line services; Adverse effect on the Council's reserves and possibly falling below minimum working balances; Adverse External Audit report / opinion and possible Government intervention with impact on Council flexibility;	SMT SMT	Strong and timely service and financial planning processes in place reported to SMT/ Cabinet to assess the impact and deal with it; Robust MTFS in place refreshed on a regular basis to reassess the underlying assumptions and incorporate national and local focus - subject to approval; Balanced MTFS through to 2020/21 and plans in place to manage a small remaining deficit in 2021/22; Strong governance framework including refreshed Financial Regulations, Annual Governance Action Plan and other supporting strategies; Implementation of the Future Council model based on a Business Unit model; Financial Services structure and systems set up to support the above framework and business partnering model; Robust governance of savings, efficiencies and improvements; Strong Financial Monitoring and Performance Management Framework in place and Q2 currently reporting £0.5M underspend on services; Working groups established to specifically review any major over spending services eg. between Finance and People (ASC) to understand issues that are now stabilising - eg. specific review of BU6 with collaboration between Finance and Service staff;	4	4	4	4	Working with Budget Managers to further embed and exploit SAP Business Planning and Consolidation (BPC). New guidance and accompanying training developed for imminent roll-out to encourage the further use of BPC by Budget Managers Working with Budget Managers to develop SAP Business Objects - proof of concept developed and agreed with Service Directors and Budget Managers - now working with BU15 (Business Improvement and Communications) and BU12 (Information Technology) to identify a solution - blueprinting and road mapping being developed with compliance arrangements being developed via the Managers Toolkit and subsequent Accountability Framework Robust processes in place to monitor the delivery of Service savings over the next thw years including regular reports into SMT and Cabinet on progress Financial Services at the forefront of understanding and influencing major government changes proposed in next 2 years such as 75% business rate retention and Fair Funding review. Reports to be submitted to SMT and Cabinet as required Financial Services at the forefront of understanding and influencing any local / regional / national issues including Devolution and Brexit including its impact on Barnsley and its partners	Executive Director, Core Services Executive Director, Core Services Executive Director, Core Services Executive Director, Core Services	60% Green 15% Amber 15% Amber 0% Green 0% Green	31/03/19 31/03/19 31/03/19 31/03/19
	3035	Loss of assets and resources as a result of a one-off incident of fraud / corruption / bribery or sustained or widespread occurrences.	Occurrence 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; 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; BOLD Elearning modules in place; Relationship in place between Internal Audit, Human Resources, Legal Services and the Police which was refreshed as part of the development of the Corporate Anti-Fraud Team;	3	3	3	3	Review corporate training programme utilising corporate PDR information and further development of POD online training - trialling a pilot package Prosecution Policy and Whistleblowing Policy to be reviewed and considered by the Audit Committee and Cabinet Communication of arrangements via training and awareness sessions regarding anti fraud and corruption arrangements to publicise these throughout the Council - main focus will be new POD training package Reinstatement of annual Fraud Risk Self Assessment at Business Unit level Fraud Awareness Week (17-24 September 2018) - follow up work to create internet pages for public information Review of outcomes arising from Fraud Awareness Week to enhance internal awareness of fraud risks and engage with other BMBC services	Executive Director, Core Services Executive Director, Core Services Executive Director, Core Services Executive Director, Core Services Executive Director, Core Services	90% Green 85% Green 65% Green 50% Green 50% Green	31/03/19 31/03/19 31/03/19 31/12/19 31/03/19 31/03/19
	3794	Lack of certainty regarding the outcome of wider Yorkshire devolution deal and the city region devolution	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; Significant reputational damage in the event the devolution model fails or is seen to fail as a result of BMBC support;	SMT SMT	Development of protocols for dealing with potential conflicts of interest; Escalation of issues through Chief Executives; De-briefs following significant interaction with the Combined Authority; Ongoing collaborative work with Yorkshire Authorities to progress Yorkshire Mayoral Combined Authority to reflect community preferences as expressed in the Community Poll in late 2017; Mayor in office as at May 2018;	4	3	3	3	Ensuring that the Authority is able to learn from 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 (18/19)	Executive Director, Core Services	50% Green	31/03/19
	4154	Failure to achieve the full benefit of our change work to date and to ensure it is sustainable for the future.	Lack of improved service provision; Scant resources being targeted on inappropriate areas; Significant budget cuts have driven the 'Future Council' programme which has dramatically transformed the organisation's business model; 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	BLT responsible for tracking KLOE activity; Organisational Improvement Board in place to oversee the delivery of organisational development and change programmes; SMT responsible for the Delivery of the Councils Corporate Plan 2017 - 2020; Forward look for Corporate Plan 2020 - 2022 underway; Delivery of Digital First agenda which cuts across Council and aims to modernise the Councils IT estate and change ways of working to ensure the Council; has a 'digital first' mind-set when considering improvements to processes, transactions, communications etc. Development of plans in terms of organisational development, despite not having a clear understanding of the financial context in which the Council will operate as a result of uncertainties relating to devolution and Fair Funding arrangements; Programmes of activity include: Facilitating and accelerating growth, Supporting Early Help, Developing local Devolution Models, Supporting behaviour change within communities, Brexit Implications and Technology;	N/A	N/A	4	4	Monitor and review the progress made in 18/19 against key strategies such as: • Organisational Improvement Board; • Barnsley Leadership Team; • Digital First; • Other key boards	Chief Executive	50% Green	31/03/19
ND VIBRANT ECONOMY	4170	Failure to ensure the Glassworks Programme delivers the appropriate levels of retail, market and leisure space with the agreed resource envelope that enables a robust level of return on investment to be made - allowing the Council to obtain the best deal possible in terms of being able to recover its borrowing within a suitable timescale and deliver the positive impacts on the Town Centre and wider economic landscape	Inability to recover borrowings in a timely and cost effective manner; Lack of improvement for Town Centre; Disruption to Town Centre businesses; Inability to let space resulting in the failure of the business case;	SMT SMT	Programme Management arrangements in place, including jpoint board / jopint governance arrangements for Phases 1 and Phase 2; Nearing completion of Phase One works; DMO tender underway;	N/A	N/A	3	3	Working with DMO to identify and secure high end retailers to ensure scheme is cost effective and has strong public support Working with architects, designers and DMO to ensure new builds are high quality, aspirational and draw in the correct type of retailers	ED Place ED Place	40% Green 75% Green	30/09/18 30/09/18

Priorit y	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Mar-17	Oct-17	Mar-18	Oct-18	Risk Mitigation Action	Owner	% comp	Review Date
THRIVING A		and wider economic landscape								Working with stakeholders to consult and collaborate on the scheme and to ensure there is a high level of awareness in place	ED Place	50% Green	30/09/18

Priorit y	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Mar-17	Oct-17	Mar-18	Oct-18	Risk Mitigation Action	Owner	% comp	Review Date
PEOPLE ACHIEVING THEIR POTENTIAL	4248	Lack of adequate qualifications at L3 and above to progress through to further and higher education	Negative impact on pupils and parents in terms of health, economic, employment and life choices; Insufficient number of learners progressing to higher and further education; Damage to reputation through poor performance in published league tables compared to the national average, and in poor inspection outcomes; Reputational damage from press and social media; Poor educational outcomes will result in skills gaps and a negative impact on the development of the Boroughs economy;	SMT SMT	Performance Management Framework; People related Policies and Strategies; Barnsley Alliance established with reporting lines to DMT and SMT; Overview and Scrutiny arrangements - regular review of CYPF Annual Report; Children's and Younger Peoples Plan 2016 - 2019 refreshed; KS2 and KS4 attainment now globally at national average; KS5 3.63 below national average; Now 120th (out of 151) for L3 results (was 96th in previous years); Barnsley College OFSTED rating of 'Outstanding'; Penistone Grammar School 6th Form College in top tier for ALPS and 97th (out of 151) for 'A' Level results (was 137th in previous years); Outcomes: Every Child attends a good school and is successful in learning (GREEN) Reducing demand through improving access to early help (GREEN)	N/A	N/A	N/A	3	Refresh of Barnsley Alliance Strategy	ED People	0% Green	31/03/19
										Refreshed Children's and Younger Peoples Plan 2016 - 2019 to be approved and adopted by TEG	ED People	0% Green	31/03/19
										Development of strategies to improve KS4 issues	ED People	0% Green	31/03/19
ONE COUNCIL	4249	Failure to ensure that the Council is able to fully understand the implications of BREXIT, and is able to ensure that opportunities that may arise are fully understood and exploited, and that risks arising from BREXIT are understood and mitigated	Missed opportunities that nmay be present within the agreed BREXIT package; Risks arising from BREXIT that may affect the Council, its partners, stakeholders and other interested parties;	SMT SMT	Initial BREXIT Impact Assessment undertaken; BLT focussed session on BREXIT issues;	N/A	N/A	N/A	3	Further development of BREXIT strategy following BLT session - focussing on mains areas such as People, Communities, Finance and Funding	Executive Director, Core Services	0% Green	31/03/19

AUDIT COMMITTEE 5th December 2018

ANNUAL GOVERNANCE STATEMENT 17/18 ACTION PLAN

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 2017/18. The action plan is attached as an Appendix to this report, and was approved (with the Annual Governance Statement (AGS)) by the Audit Committee at their meeting dated 20th July 2018.

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 2018/19 was developed in April and May 2018 when the AGS was first drafted. It was subsequently reviewed by the Audit Committee as a draft document in June 2018, and again in July 2018, 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 April and May 2019 as part of the 2018/19 AGR process.

4. List of Appendices

- 4.1 Appendix One: AGS Action Plan as at December 2018.
- 4.2 Appendix Two: Partnership Governance Arrangements Report December 2018

5. Background Papers

- 5.1 Previous Audit Committee reports covering the development of the AGR process for 2017/18 and the approval of the 2017/18 AGS.

Contact Officer: Strategic Risk, Insurance and Governance Manager
Telephone: 01226 77 3119
Date: 12th November 2018

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned
1	<p>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.</p> <p><i>(Carried forward from 2016 / 17)</i></p>	Executive Director, Core Services	Recommended for Closure	<p><u>December 2017:</u> Targeted correspondence was sent to relevant Service Directors in October 2017. Subsequently, the Risk and Governance Manager has met with a number of Service Directors and Risk Owners to consider partnership risks. The majority of Business Unit now have risks regarding specific partnership now included within their Operational Risk Registers. Further work during the remainder of the financial year will focus on ensuring the remaining risk registers are updated to reflect Partnership risk.</p> <p><u>May 2018:</u> Analysis relating to overall compliance with the Framework will be undertaken, and reported to the Audit Committee for further consideration in 2018.</p> <p><u>November 2018:</u> A report (attached as Appendix Two) details the overall compliance with the Partnership Governance Framework. As a result of the positive assurances provided within this report, it is proposed this action can now be closed.</p>
2	<p>Internal Audit Annual Report: A corporate issue relating to non-compliance with Contract Procedure Rules and the overall adequacy of Contract Management Arrangements</p> <p><i>(Carried forward from 2016 / 17)</i></p>	Executive Director, Core Services	Revised to 31/03/2019	<p><u>December 2017:</u></p> <p>Non-compliance with CPR:</p> <ul style="list-style-type: none"> ▪ The Strategic Procurement Team continue to track and challenge waivers on an ongoing basis. The team also provides information on waivers to key stakeholders on a monthly basis; ▪ The 'Document Review' is now complete and a new set of standardised procurement processes, documentation and guidance is available via SharePoint for staff to utilise when procuring at all levels of expenditure;

				<ul style="list-style-type: none"> ▪ A review of the Contract Procedure Rules is also underway which is planned for completion by end March 2018. ▪ All waivers over £100,000 require the Monitoring Officer and S151 Officer approval. <p>Adequacy of Contract Management Activity:</p> <ul style="list-style-type: none"> ▪ A scoping paper to review contract management activity was considered and approved by SMT prior to Christmas 2017. Activity will now be undertaken by the Strategic Procurement Team during Q1 of 2018 to establish the 'as is' situation whilst also developing a new 'to be' approach with a view to council wide adoption. <p><u>November 2018:</u> Non-compliance to the CPR</p> <ul style="list-style-type: none"> ▪ A review of the Contract Procedure Rules has been completed and a recommendations paper is due to go for SMT consideration in November 2018 and if approved is due to be considered by Cabinet in December 2018. <p>Adequacy of Contract Management Activity</p> <ul style="list-style-type: none"> ▪ The contract management review has been completed and a recommendations paper was approved by SMT on the 18th September 2018. An action plan to address the findings and develop a new 'to be' solution including the introduction of a contract management framework and toolkit is now underway. Two new posts within the Strategic Procurement function have been approved to provide a dedicated focus going forward namely a Strategic Contract Manager and a Contract Officer. It is planned for these positions to be in place by 1st April 2019.
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3	Following a consensual audit from the Information Commissioners Officer (ICO) in October 2017, a number of recommendations were made for the Council to act on (the majority of actions being medium or low priority).	Executive Director, Communities	Revised to 31/03/2019	<p><u>May 2018:</u> The current status of the actions identified by the ICO is detailed below:</p> <table><tr><th>Area</th><th>Total</th><th>Completed</th><th>In Progress</th><th>Not started</th></tr><tr><td>Training and Awareness</td><td>25</td><td>12</td><td>12</td><td>1</td></tr><tr><td>Records Management</td><td>48</td><td>22</td><td>17</td><td>9</td></tr><tr><td>Fol / EiR</td><td>36</td><td>15</td><td>7</td><td>14</td></tr><tr><td>Total</td><td>109</td><td>49</td><td>36</td><td>24</td></tr></table> <p><u>November 2018:</u> The current status of the actions identified by the ICO is detailed below, and this information is now complemented by the regular reporting on this subject to the Audit Committee:</p> <table><tr><th rowspan="2">PRIORITY</th><th colspan="3">Training and Awareness</th></tr><tr><th>Complete</th><th>Ongoing</th><th>Rejected</th></tr><tr><td>Urgent</td><td>0</td><td>0</td><td>0</td></tr><tr><td>High</td><td>4</td><td>0</td><td>0</td></tr><tr><td>Medium</td><td>13</td><td>0</td><td>0</td></tr><tr><td>Low</td><td>8</td><td>0</td><td>0</td></tr><tr><td>TOTAL</td><td>25</td><td>0</td><td>0</td></tr></table> <table><tr><th rowspan="2">PRIORITY</th><th colspan="3">Records Management</th></tr><tr><th>Complete</th><th>Ongoing</th><th>Rejected</th></tr><tr><td>Urgent</td><td>3</td><td>5</td><td>0</td></tr><tr><td>High</td><td>10</td><td>0</td><td>0</td></tr><tr><td>Medium</td><td>19</td><td>3</td><td>0</td></tr><tr><td>Low</td><td>8</td><td>0</td><td>0</td></tr><tr><td>TOTAL</td><td>40</td><td>8</td><td>0</td></tr></table>	Area	Total	Completed	In Progress	Not started	Training and Awareness	25	12	12	1	Records Management	48	22	17	9	Fol / EiR	36	15	7	14	Total	109	49	36	24	PRIORITY	Training and Awareness			Complete	Ongoing	Rejected	Urgent	0	0	0	High	4	0	0	Medium	13	0	0	Low	8	0	0	TOTAL	25	0	0	PRIORITY	Records Management			Complete	Ongoing	Rejected	Urgent	3	5	0	High	10	0	0	Medium	19	3	0	Low	8	0	0	TOTAL	40	8	0
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Medium	14	3	3																												
Low	7	0	2																												
TOTAL	28	3	5																												
4	Monitoring the implementation and embedding of effective compliance arrangements in respect of the General Data Protection Regulations 2018	Executive Director, Core Services	31/03/2019	<p><u>November 2018:</u> The Councils compliance with the Data Protection Act (DPA) 2018 and the General Data Protection Regulations (GDPR) is being monitored through the Information Governance Board alongside other areas of information governance and management.</p> <p>The Council's Data Protection Officer (DPO) reports to the Board, providing assurances regarding work being undertaken to embed revised procedures and processes to ensure compliance. A programme of independent review work is currently being developed that will test compliance. The DPO will report periodically to SMT and has provided the Audit Committee with two reports on progress. The audit committee will receive further reports from the DPO following the completion of the compliance work.</p> <p>It is the responsibility of all senior managers to ensure the personal data they use in the delivery of services is maintained in compliance with the Council's policies, the DPA 2018 and GDPR. The DPO provides independent advice and assurance regarding that compliance.</p>																											

PARTNERSHIP GOVERNANCE ARRANGEMENTS – ANNUAL GOVERNANCE ACTION PLAN

1. Purpose of the Report

- 1.1 To consider the impact of the developing governance and control arrangements that have been put in place relating to the Council's partnerships, contracts and general relationships with external organisations.

2. Recommendations

- 2.1 **The Committee is asked to consider the assurances arising as a result of the governance and control arrangements in place relating to the Council's partnerships, contracts and general relationships and whether these assurances allow the AGS action to be closed.**

3. Background

- 3.1 The need to revise and improve Partnership Governance arrangements was identified as part of the Annual Governance Review arrangements in 2016/17, and a practical Partnership Governance Framework was subsequently developed and communicated to risk owners and Service Directors in 2017.
- 3.2 Essentially, the framework requires relevant partnership and relationship risks to be considered as part of the operational risk register review approach.

4. Operational Risk Registers

- 4.1 The table below details the partnership and relationship risks that are currently logged in operational risk registers:

Risk Register	Partnership / Relationship Risk
People	Failure to ensure the Barnsley Alliance has the capacity and capability to lead in sector led improvement for all maintained and non-maintained schools in Barnsley
	Failure to ensure that partnerships with organisations such as CCG, Health Providers and SWYPFT are well governed and enable high quality outcomes for service users
Place	DEV - Managing Partnerships
	Failure to ensure that the partnerships and relationships that are managed and maintained by BU5 are delivering the intended outcomes and are well governed organisations
	Failure to ensure the appropriate management of Household Waste Recycling Centres
	Failure to work effectively in partnership and ensure robust partnership governance arrangements are in place
	Failure to ensure that partnerships and joint working with third party organisations are well governed, transparent and controlled in a manner that is proportionate to the size and scope of the partnership so as to ensure the partnership is able to exploit opportunities and take managed risks without being stifled by unwieldy governance arrangements
Public Health	Partnerships and joint working arrangements with key stakeholders (such as the CCG) becomes difficult due to conflicting priorities and demands
Core	Failure to ensure that third parties / suppliers that Commercial Services contract work with / to have appropriate governance and control arrangements in place to ensure risks regarding continuity and resilience and information governance are mitigated
	Failure to ensure partners involved in the delivery of good governance throughout the services customer base are well controlled and are in

Risk Register	Partnership / Relationship Risk
	themselves benefitting from appropriate governance arrangements

5. Analysis

- 5.1 The majority of Business Unit risk registers have a suitable consideration of risks relating to partnership activities.
- 5.2 None of the risks detailed above have been assessed as being 'red', and can therefore be considered to be within the Councils own risk acceptance.
- 5.3 Further consideration of partnership related risk will be facilitated during the year by the Strategic Risk, Insurance and Governance manager to ensure any gaps in this coverage are filled.

6. Financial Implications

- 6.1 There are no direct financial Partnership Governance Arrangements.

7. Risk Management Considerations

- 7.1 The Council's Partnership Governance Arrangements forms one of the key elements of the Council's Internal Control Framework.

8. List of Appendices

- 8.1 None.

9. Background Papers

- 9.1 Previous Audit Committee reports covering the 2016 / 17 and 2017 / 18 AGS Action Plan, the Council's Local Code of Corporate Governance and the Council's Annual Governance Review Process 2017 / 18.

Contact Officer: Strategic Risk, Insurance and Governance Manager
Telephone: 01226 77 3119
Date: 17th October 2018

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Audit Committee – 5th December 2018

RISK MANAGEMENT FRAMEWORK REVIEW

1. Purpose of Report

- 1.1 The purpose of this report is to provide assurance to the Audit Committee regarding the Risk Management Framework remaining fit for purpose, prior to the Framework being considered and approved by Cabinet.
- 1.2 It is important that the Risk Management Framework remains up to date in order to accurately reflect the effective and efficient management of risks to the achievement of objectives. This is of particular relevance given the Future Council programme.

2. Recommendations

2.1 It is recommended that the Audit Committee:-

- (i) **Considers the revisions to the Risk Management Framework to ensure it remains fit for purpose; and**
- (ii) **Subject to comments of the Committee, agree that the Risk Management Framework is referred to Cabinet for consideration and approval.**

3. Introduction

- 3.1 Risk Management is not about eliminating risk or being risk averse, it is about being aware of and managing acceptable risk in the pursuit of agreed objectives. The Risk Management Framework includes the Risk Management Policy and Risk Management Strategy, which sets out how the Council will seek to embed this approach to risk into its normal activities through the ongoing development of a risk management culture. The Risk Acceptance Model is also included as part of the Framework, and is designed to ensure outcomes from the risk management approach are considered, and where appropriate, escalated.
- 3.2 The Risk Management Framework, including the Risk Management Policy, Risk Management Strategy and Risk Acceptance Model are also key elements in the implementation of good governance arrangements and form key elements of the Councils Annual Governance Review process.

4. Risk Management Framework

- 4.1 In order to ensure the Framework and its constituent components remain relevant and fit for purpose, the entire Framework has been reviewed in 2018.

5. Delivering Corporate Plan Priorities and Future Council Themes

- 5.1 The Risk Management Policy Objective Statement and Strategy seeks to ensure that those significant risks which could impact upon the delivery of the Authority's objectives, as set out in the Corporate Plan are appropriately managed in order to minimise the significant potential obstacles to the achievement of corporate objectives. Likewise, the Policy Objective Statement and Strategy is in place to support the consideration of innovative solutions relating to the Future Council Programme.

6. Risk Management Issues

- 6.1 The report focuses upon the development of the Risk Management Framework and the contribution this will make to the embedding of a risk management culture throughout the Council.

7. Financial Implications

- 7.1 There are no specific financial implications arising directly from this report although there is often a cost in taking (or not taking) specific action identified through the risk management process. Most individual Cabinet reports have financial implications and so the application of good risk management principles as set out in the Framework are vital to ensure the most effective use of resources.

8. Background Papers

- 8.1 Various paper and electronic files which are available for inspection at the Westgate Plaza One offices of the Authority.

9. Appendices

None.

Contact Officers:	Strategic Risk, Insurance and Governance Manager
Telephone:	01226 773119
Date:	3rd September 2018

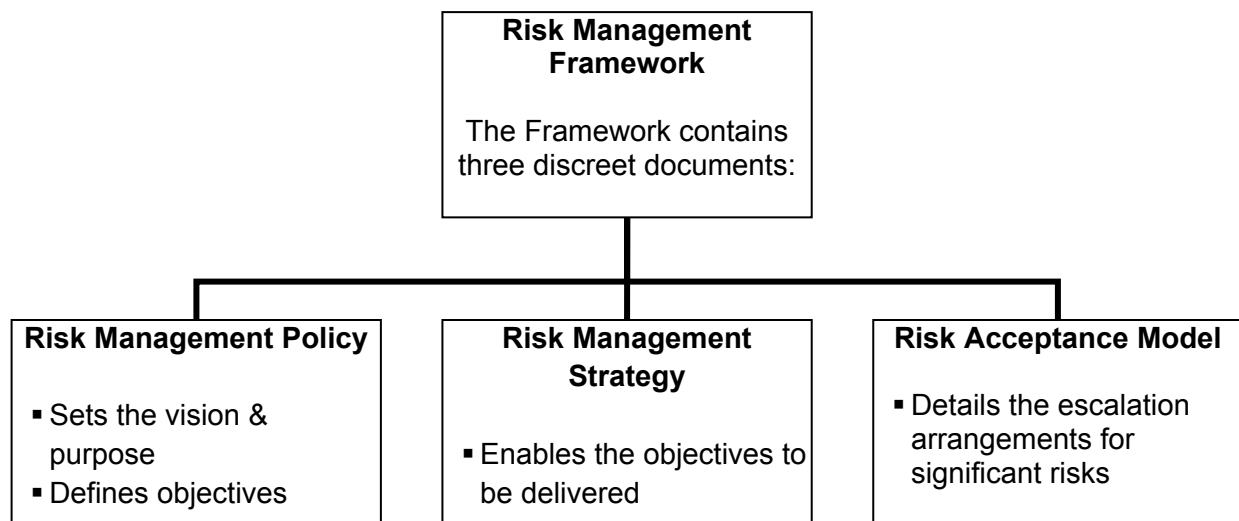
RISK MANAGEMENT FRAMEWORK

Barnsley Metropolitan Borough Council

November 2018

1. The Risk Management Framework

- 1.1 The Risk Management Framework refers to a suite of documents that set out the structures, processes and culture that is required to ensure the Council has robust and proportionate arrangements in place to effectively manage risk.
- 1.2 The Risk Management Framework is comprised of the following documents:



a foreword written by the Executive Director of Core Services, provides an ex

2. Risk Management Policy

- 2.1 The Risk Management Policy sets out the overall vision and purpose of risk management within the Council, defines the objectives necessary to the successful delivery of that vision and details how those objectives will be supported.
- 2.2 The Policy is subject to regular review and any proposed amendments are then agreed and accepted by the Councils Senior Management Team (SMT) before consideration by the Audit Committee and finally, Cabinet.
- 2.3 To provide a high-level mandate for the Councils Risk Management arrangements, the Policy is signed by the Councils Chief Executive and the Cabinet Spokesperson for Core Services.
- 2.4 The Risk Management Policy is attached as Annex One to this document.

3. Risk Management Strategy

- 3.1 The purpose of the Strategy is to provide the platform from which the Risk Management Policy objectives can be delivered.

- 3.2 The Strategy is designed to act as a background document, as well as providing and explanation of key terms.
- 3.3 The Risk Management Strategy is attached as Annex Two to this document and is further complemented by various guidance notes and document published on the Risk Management intranet site.

4. Risk Acceptance / Risk Appetite

- 4.1 It is recognised that at times, risks which exceed agreed acceptance levels will be accepted in the pursuit of an objective. Procedures are in place to ensure that these risks are appropriately recognised and reported.
- 4.2 Risk Appetite is the overall level of exposure to risk which is deemed acceptable within the organisation. This approach is authorised by Senior Management in order to give clear guidance on acceptable limits of risk. This is also in line with the Public Sector Internal Audit Standards (PSIAS) which makes direct reference to the risk appetite of the organisation in the context of determining priorities for internal audit activity. This is also underpinned by the Institute of Risk Management's publication on Risk Appetite and Acceptance.
- 4.3 The Risk Acceptance / Risk Appetite Model is attached as Annex Three to this document.

5. Review

- 5.1 The Risk Management Framework will be subject to an annual review by the Strategic Risk, Insurance and Governance Manager.
- 5.2 Any significant material changes will be reported to the Audit Committee and subsequently Cabinet.

RISK MANAGEMENT POLICY

Barnsley Metropolitan Borough Council

November 2018

The Council and its employees are committed continually embedding Risk Management into its corporate business processes. Risk Management is intended to maximise opportunity, and minimise uncertainty, through the identification and appropriate control of all significant risks which may affect the achievement of corporate objectives.

Policy Objectives:

The Council and its employees will seek to achieve the statement above through the following risk management policy objectives:

- To manage risks (and benefits or opportunities arising) in accordance with best practice and through a culture where responsible, informed and controlled risk taking is encouraged within agreed risk acceptance parameters;
- To respond to new and emerging risks, including risks arising from changes in the economic, financial, social, legislative, compliance, sustainability, technological and environmental issues;
- To manage risks arising from programmes, projects and significant partnerships / relationships that the Council is involved in;
- To contribute towards the effective corporate governance arrangements within the Council including the embedding of risk management activities into the Councils processes and procedures as well as and the development and maintenance of the Councils Annual Governance Review including the subsequent production of the Councils Annual Governance Statement;
- To contribute towards the sustainability of Future Council by providing assurances to leaders that risks are being effectively managed and mitigated, that the Councils decision making processes are risk-based, and that the Council remains 'safe';
- To support and enable partners and other groups to become more actively involved in the provision of services that may be delivered on behalf of the Council, by improving their capacity and competency to effectively manage risk; and,
- Supporting localised governance arrangements such as the Councils Area Councils to ensure they are well governed and 'risk-enabled' in terms of their own decision making and activities.

These Objectives will be support by:

- The continued development and implementation of a risk management framework that facilitates the effective and efficient management of risk;
- The continued integration of risk management into the corporate business processes of the Council;
- Supporting and encouraging risk management activity throughout the Council and the recognition of the roles and responsibilities of all stakeholders;
- The provision of practical guidance to assist in the development of core competencies and skills for all employees within the Council;
- The development and delivery of training and awareness schemes for all employees, Elected Members and other interested parties;
- The regular review of risk registers, including the escalation of risks that may fall outside of the agreed acceptance levels; and,
- The provision of timely and regular reports that provide assurances that significant risks relating to the achievement of corporate objectives are being appropriately managed.

Signed:

Signed:

Date:

Date:

Chief Executive
Barnsley Metropolitan Borough Council

Cabinet Spokesperson (Core Services)
Barnsley Metropolitan Borough Council

RISK MANAGEMENT STRATEGY

Barnsley Metropolitan Borough Council

November 2018

1. Background

- 1.1 In order to ensure the Risk Management Policy objectives are delivered, and that the Councils Risk Management arrangements are fit for purpose, the Risk Management Strategy has been developed to outline how the council will manage risk effectively.

2. Roles and Responsibilities

- 2.1 In order to ensure that the Councils risk management arrangements are implemented and delivered successfully, it is essential that corporate and individual roles and responsibilities are clearly defined.
- 2.2 It is therefore important to ensure that everyone within the organisation understands how their responsibilities fit into the risk management framework. The following tables sets out a summary of the individual roles and responsibilities of Elected Members, specific officers, managers and employees. It also sets out the support available to discharge those responsibilities and how assurance on the overall effectiveness of the risk management framework is established:

The following roles are designed to assist in the **delivery** of effective Risk Management:

Role:	Outcome(s):
Elected Members	<ul style="list-style-type: none"> To oversee the effective management of risk by officers; and, Be involved in the identification of high level, strategic risks. <p><i>The Cabinet Spokesperson (Core Services) is the Risk Management Champion at Member level.</i></p>
Cabinet	<ul style="list-style-type: none"> To approve the Risk Management Policy and Strategy; To ensure risk is considered as part of the decision making process; and, Ownership of the Strategic Risk Register.
Chief Executive	<ul style="list-style-type: none"> To lead in the embedding of a Risk Management culture within the Council; and, To endorse the Risk Management Policy Objective Statement.
Senior Management Team	<ul style="list-style-type: none"> To ensure that the organisation manages risk effectively; Ensuring the Strategic Risk Register remain relevant and vibrant; and, Approval of levels of risk appetite; <p><i>The Executive Director (Core Services) is the SMT Risk Champion for the delivery of the Risk Management Framework.</i></p>

Role:	Outcome(s):
Business Unit Management Teams	<ul style="list-style-type: none"> ▪ To ensure risks are managed in each service area, projects and relationships for which they are responsible.
Service Managers / Project Managers / Partnership Lead Officers	<ul style="list-style-type: none"> ▪ To manage risk effectively in their service area, project or relationship for which they are responsible; and, ▪ Adherence to relevant controls such as the Councils Corporate Project Management Approach for project managers, and / or the Partnership Governance Framework for partnerships.
Employees	<ul style="list-style-type: none"> ▪ Be aware of and consider risks in the fulfilment of operational duties and contribute to Business Unit and Directorate Risk Management arrangements as appropriate.

These roles are further ***supported*** by:

Role	Outcomes(s):
Strategic Risk, Insurance and Governance Manager	<ul style="list-style-type: none"> ▪ To support the Council and its Services in the effective development, implementation and review of the Risk Management Framework; and, ▪ To manage the delivery of the Policy Objectives and monitor the progress towards the achievement of Risk Management Performance Indicators.
Corporate Assurance Group Members	<ul style="list-style-type: none"> ▪ To promote and facilitate Risk Management arrangements within their Directorate.

All of the above roles are designed to provide ***assurances*** to:

Role:	Outcome(s):
Audit Committee	<ul style="list-style-type: none"> ▪ To provide assurances to the Council on the adequacy and effectiveness of the Risk Management Framework and challenge, through the consideration of periodic reports, how the Risk Management Framework is being implemented, and its overall impact.
Internal Audit	<ul style="list-style-type: none"> ▪ To provide assurance to management on the effectiveness of Internal Controls, including the Risk Management Framework through an annual audit.

3. Risk Management Approach

3.1 The Risk Management Approach provides a systematic and effective method of managing risks at different levels within the Council. The process requires every significant risk to be:

- Identified, described and owned / allocated to a named manager;
- Assessed for likelihood and impact;
- Mitigated; and,
- Reviewed.

3.2 Risks are contained within a series of Risk Registers, at strategic, Business Unit and project levels. Each register is reviewed on a regular basis and new and emerging risks are considered at that time.

4. Risk Recording

4.1 The recording, control and monitoring of corporate risks is facilitated through the use of a series of excel spreadsheets. Risks are recorded in a series of Risk Registers which incorporate specific information about individual risks, the existing controls in place, and action plans intended to further mitigate those risks.

4.2 These Risk Registers have been transferred to the Councils Document Management System (SharePoint) to enable an appropriate level of information sharing and collaboration throughout and within the Council.

4.3 The Council has a number of risk registers that allow for the recording of risks, and the risk mitigation actions that have been identified and put in place to reduce the significance of risks. These registers include:

- **Strategic Risk Register** – this register is used to capture all significant risks to the Councils strategic objectives. This register is owned and managed by SMT;
- **Board Risk Registers** – these registers are designed to assist significant corporate groups identify and manage risk. For example, the Information Governance Board benefits from its own risk register which includes a number of risks that could affect:
 - The Councils own information governance arrangements;
 - The Councils relationship with regulators; and,
 - Specific exposures to information governance risk identified by individual service areas.
- **Operational Risk Registers** – each Business Unit benefits from a risk register which includes specific risks that could affect the objectives of the service in question;
- **Project Risk Registers** – all significant projects that the Council is involved in should benefit from a discrete risk register which details the risks to the achievement of project aspirations e.g. the Glassworks project;

- **Partnership Risk Registers** – all significant partnership that the Council is involved in should benefit from a stand-alone risk register. Services are also encouraged through the Partnership Governance Framework to consider partnership risks within their own Business Unit risk register e.g. the Health and Wellbeing Partnership Board.

5. Exposures

5.1 The Council is exposed to a large number of risk areas, as a result of its responsibilities to the community in terms of statutory responsibilities, high expectations from customers and service users and responsibilities to deliver high quality, efficient public services.

5.2 A number of risk areas are considered as part of the identification of risk, whether this is at a Strategic or Operational level. These include:

- **Legal / Regulatory risks** – for example, the Council is statutorily responsible for the provision of education within the Borough, and also has responsibilities to remain 'safe' in terms of its own compliance with regulations such as Health and Safety legislation, or the General Data Protection Regulations;
- **Political risks** – this includes consideration of local political issues such as the Yorkshire Devolution deal, and wider, national and global issues such as Brexit;
- **Social risks** – high levels of customer expectation, and the increasing use of technology including social media by stakeholders to engage with Council;
- **Economic risks** – further austerity measures and uncertainty as a result of Brexit is likely to result in further organisational change;
- **Technological risks** – maximising new technology, encouraging a channel-shift to explore more efficient ways of interacting with customers;
- **Environmental risks** – ensuring the right conditions are in place for economic investment and ensuring the Borough is protected for future generations.

6. Assurance

6.1 The provision of assurance that risks are understood and managed appropriately is an essential measure of the adequacy and effectiveness of the Councils Risk Management Framework. This assurance is provided in the following ways.

- The Strategic Risk, Insurance and Governance Manager ensures the presentation of an annual Risk Management report to the Audit Committee. This will be supplemented by a further update report throughout the year, and specific reports on the development of the Strategic Risk Register. Where possible, these reports are initially circulated to the Corporate Assurance Group for comment, prior to being presented at the Audit Committee;

- Reports on the outcomes of the bi-annual review of the Strategic Risk Register will also be presented to the Senior Management Team, Audit Committee and Cabinet;
- An annual, independent review of the Risk Management arrangements is undertaken by the Councils Internal Audit Section;
- Risk Management and Insurance activities are benchmarked with national and regional peers via the ALARM / CIPFA Benchmarking Club;
- The Risk Management arrangements of each Service are subject to review as part of the process for the compilation of the Annual Governance Statement.

7. Performance Management

- 7.1 It is essential that the success of the Risk Management Strategy can be measured. The measurement of performance corporately is however difficult and somewhat subjective. It is likely that performance indicators for 2018 / 19 will be reviewed in light of the Financial Services [‘Core Offer’](#).

8. Strategic Plan

- 8.1 The consideration of longer term objectives for the Risk Management within the Council are detailed below:

Year	Activity	Comment
18/19	Developing links to Insurance arrangements within the Council	Whilst the intention is not to create a joint Risk and Insurance Policy, combining these two sections assists in identifying and exploiting joint opportunities
	Full review of Risk Management Arrangements and support within BMBC to recognise the increased embeddedness of Risk Management within the Councils business processes	Future support will focus on strategic advice and is likely to reflect a decrease in operational Risk Management support, and an expectation that Service Directors and Business Units will become more self-sufficient
19/20	Reviewing the impact of changes to the support available to facilitate Risk Management activities within the Council	Reviewing the outcomes of the above activity, and providing assurances that arrangements are still fit for purpose
	Developing improvements to Strategic Risk Reports	Working with BMBC Communications to improve the style and content of risk reports to include pictograms and infographics
	Supporting Financial Services Core Offer in taking a risk based approach to budget setting and monitoring	Delivering added value advice and support to assist budget holders in identifying and mitigating financial risk

9. Risk Management Arrangements for Other Bodies

- 9.1 The Strategic Risk, Insurance and Governance Manager continues to support a number of other organisations with regard to their risk management, governance and insurance arrangements including the South Yorkshire Fire and Rescue Service and Authority and the South Yorkshire Pensions Authority.

10. Advice and Guidance

- 10.1 Guidance documents relating to the matters detailed in the Risk Management Strategy are available on the Councils Risk Management Intranet site. Further advice and guidance can be provided by the Risk Management Section. Contact details are as follows:

Name / Designation	Contact Details
Adrian Hunt – Strategic Risk, Insurance and Governance Manager	adrianhunt@barnsley.gov.uk 01226 77 3119

11. Appendices

- 11.1 None.

RISK APPETITE / RISK ACCEPTANCE MODEL

Barnsley Metropolitan Borough Council

November 2018

1. Background and Context

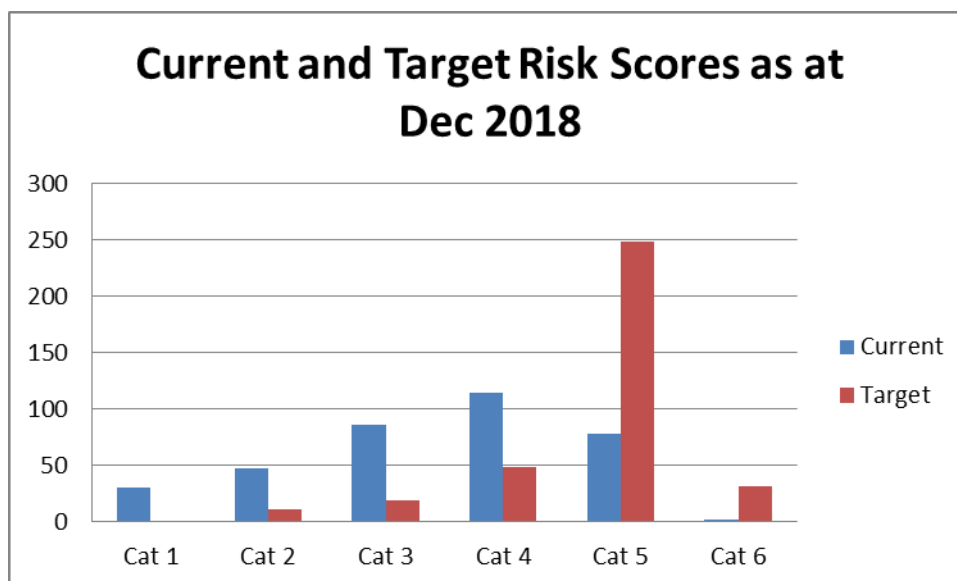
- 1.1 In order to help mitigate against the impacts of the current austerity measures and to drive forward the changes that will assist in delivering the vision for the Council, it is necessary to ensure the organisation is able to maximise and exploit important opportunities and innovative solutions.
- 1.2 In the context of changing public services, relating to how services will be delivered, to what level and by whom, it is essential to ensure the Council is able to:
- Respond positively to challenges;
 - Make the most of limited, and reducing resources;
 - Ensure plans, projects and programmes are appropriately resourced to maximise success and deliver the intended priorities and outcomes; and,
 - Implement robust arrangements to performance manage progress.
- 1.3 In order to enable the changes required to maintain the 'Future Council' model, and continue to challenge and change the way the Council and its stakeholders think and act, it is important to provide a framework in which innovation and managed risk taking is encouraged, within the agreed risk acceptance parameters. Within this framework it is also important to ensure the Council's stakeholders are provided with robust assurances that the organisation ultimately remains safe and well governed.
- 1.4 Whilst risk management within the Council is embedded and working, issues regarding risk acceptance and risk escalation (in terms of the overall level of risk the Council is willing to accept when dealing with cultural, economic, social and demographic challenges) is dynamic, and should be subject to regular review.

2. Risk Appetite – What can we accept?

- 2.1 Risk appetite or risk acceptance is the overall level of risk the Council is prepared to tolerate or accept in order to deliver objectives and services. This is defined in BS ISO: 31000 (the International Standard for Risk Management), as:

'The amount of risk that an organisation is prepared to seek, accept, tolerate'

- 2.2 This consists of all risks which fall within accepted risk tolerance levels, aggregated with those additional higher rated risks which the Council has agreed to accept.
- 2.3 Recent guidance, issued by the Institute of Risk Management 'IRM Guidance Paper – Risk Appetite and Risk Tolerance', and CIPFA / CIIA 'Public Sector Internal Audit Standards' both highlight the benefits in developing a proportionate risk appetite or acceptance model that will enable decision makers to be better aware of the risks being taken to achieve the Councils goals and objectives.
- 2.4 The Councils Risk Registers contain a wealth of information which helps to determine risk appetite. This requires all risks to be assessed for the actual or 'Current' risk score, and the residual or 'Target' risk score, once all mitigation actions have been completed and delivered successfully.
- 2.5 The following table shows the Councils risk profile derived from the operational risk registers as at December 2018. The 'Target' risk data is a strong indicator of risk appetite as it equates to the overall level of anticipated residual risk. Within this there are 11 risks that are logged as being either Category 1 or 2, showing that these risks, regardless of mitigations and resource, will always remain outside of the Councils tolerance level:



- 2.6 This compares to the 78 risks that are currently logged as being Category 1 or 2, in terms of the Current risk score. Continued work in terms of risk management and mitigation will be required to reduce the overall risk profile to a level that 'fits' the principle of acceptable risks (or risks within the Councils appetite), including the reduction in the number of red risks from 78 to 11.
- 2.7 Essentially, the concept of risk acceptance relies on the consideration of both the Current and Target risk category score. This will enable:

- Significant risks being escalated to Business Unit Management Team Meetings, and where appropriate, SMT:
Some risks that are traditionally 'out of tolerance' may not require immediate escalation, if it is felt that the Target Score is achievable with the current level of resources being applied to the risk / mitigation action(s). Both Business Unit Management Team Meetings and Senior Management Team Meetings will be able to focus their attention on only the significant, unacceptable risks; and,
- Risk Owners and Risk Managers to be encouraged to manage the risk themselves:
It is likely Risk Owners and Risk Managers will be able to deploy more innovative solutions to the management of significant risk.

3. Application

- 3.1 The following table identifies the Current and Target scoring, the Statement of Acceptance and whether the risk is within the Councils Risk Tolerance. The table then identifies the appropriate action for each risk, based on the combination of these factors:

Current Category Score	Target Category Score	Comment
5 – 6 (Green)	5 – 6 (Green)	Monitored and Reviewed via ORR's.
3 – 4 (Amber)	5 – 6 (Green)	Managed and Monitored via ORR's.
3 – 4 (Amber)	3 – 4 (Amber)	Managed and Monitored via ORR's.
1 – 2 (Red)	5 – 6 (Green)	Managed and Mitigated via ORR's / Consider Escalation
1 – 2 (Red)	3 – 4 (Amber)	Managed and Mitigated via ORR's / Consider Escalation
1 – 2 (Red)	1 – 2 (Red)	Escalated.

- 4.2 Appendix One details a process map, which has been designed to assist Risk Owners or Risk Managers in applying the principles of Risk Acceptance to their own risks, following Operational Risk Register reviews.

5. Assurance

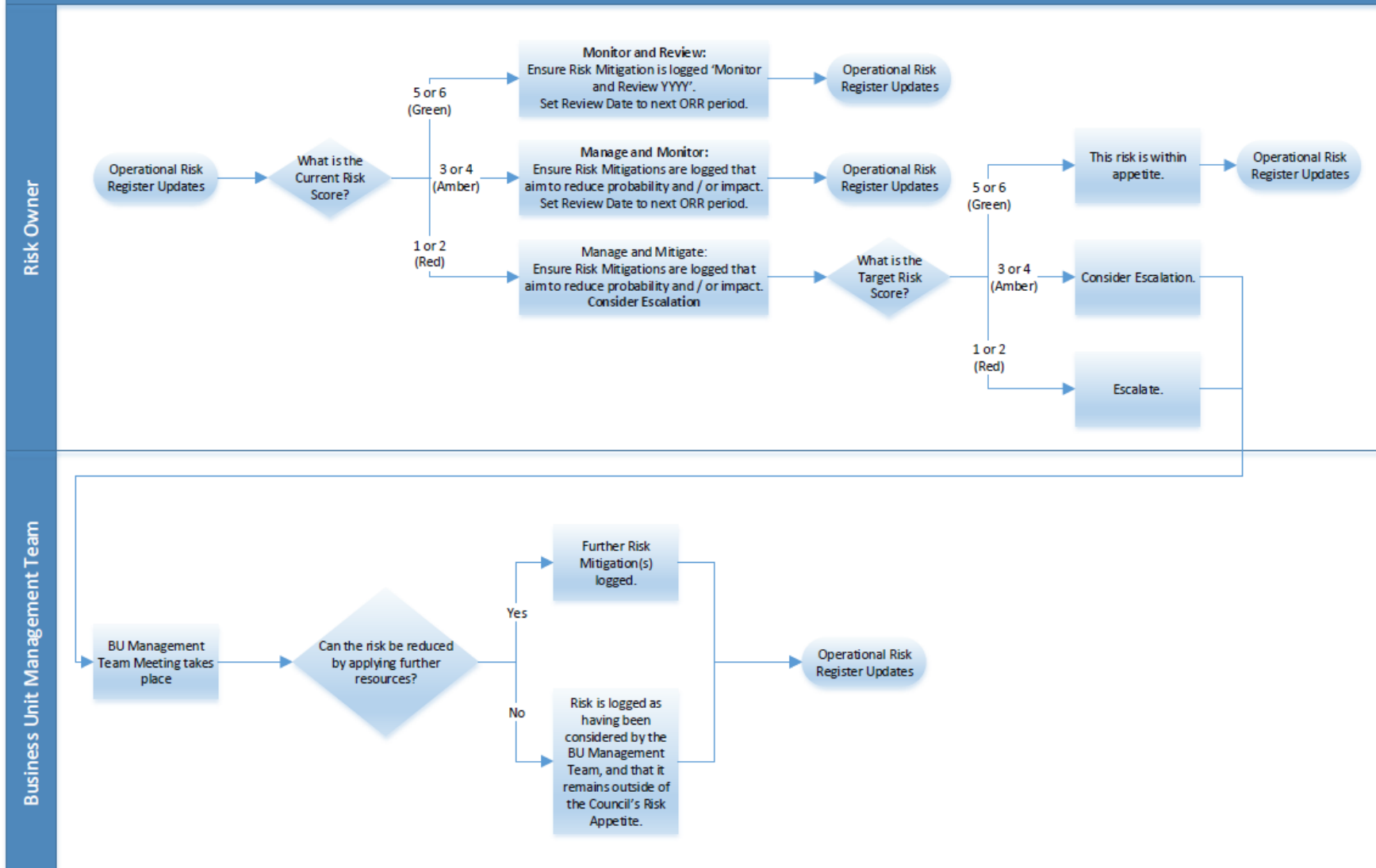
- 5.1 The Strategic Risk, Insurance and Governance Manager will prepare regular reports to the Councils Senior Management Team summarising the overall risk profile of the SRR, alongside those significant out of tolerance and acceptance risks.

- 5.2 As part of this reporting and assurance process, the management of significant strategic, operational and project risks are reported to the Audit Committee and Cabinet within existing reporting processes.

6. Appendices

- 6.1 Appendix One: Risk Acceptance Process Map 2018

BMBC RISK ACCEPTANCE MODEL 2018



Item 6

Report of the Head of Internal Audit & Corporate Anti-Fraud

AUDIT COMMITTEE – 5th DECEMBER 2018

ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

1. Purpose of the Report

- 1.1 The purpose of this paper is to inform the Committee of the framework proposed to prepare, manage and deliver the Quality Assurance and Improvement Programme (QAIP) for the Internal Audit function as required by the Public Sector Internal Audit Standards 2017 (PSIAS).

2. Recommendation

- 2.1 **Members consider and assess the proposed QAIP Framework which sets out how it will meet the requirements set out in the PSIAS.**
- 2.2 **That the Committee receives an annual update report on the delivery of the QAIP.**

3. Background Information

- 3.1 Revised Public Sector Internal Audit Standards (PSIAS) came into effect from April 2017. Within those standards is the requirement for the Head of Internal Audit to develop and maintain a Quality Assurance and Improvement Programme (QAIP).
- 3.2 The particular standard in the PSIAS is 1300 - *Quality Assurance and Improvement Programme*. This states that:

“The Head of Internal Audit must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity”.

Guidance in relation to this states that:

“A quality assurance and improvement programme is designed to enable an evaluation of the internal audit activity’s conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The Head of Internal Audit should encourage [Audit Committee] oversight in the quality assurance and improvement programme”.

- 3.3 Whilst the 2017 PSIAS formalised this as a specific requirement, previous Internal Audit standards and professional requirements ensured that Heads of Internal Audit had effective quality assurance arrangements in place. This incorporated the duty to undertake an annual self-assessment and an independent external assessment against the PSIAS once every five years. An independent external assessment was undertaken in late 2015 and reported to the Audit & Governance Committee in early 2016. This assessment confirmed that the Internal Audit function was in full conformance with the PSIAS.
- 3.4 It is important for the Internal Audit Team and client organisations that the requirements of professional standards are met and are seen to be met. A revised framework has been developed to ensure all aspects of the PSIAS are considered and factored into how the Internal Audit function is resourced, managed, audit work is identified and delivered, and personal professional standards are met.
- 3.5 The full PSIAS covering the QAIP is attached as Appendix 1. Note that the PSIAS refers to the *chief audit executive* as a generic term for the officer responsible for the Internal Audit function. The job title 'Head of Internal Audit' is most commonly used in the public sector. Also, the term '*board*' is used which in the public sector context is the audit committee. CIPFA have recently produced a Local Government Application Note (LGAN) to provide guidance to ensure consistency in how the PSIAS are interpreted specifically in a local government context.
- 3.6 The key framework of the QAIP are shown in the table below. A more detailed analysis of the PSIAS is shown at Appendix 2 alongside the actions being undertaken or planned below.

Key Standard 1300 Requirements	Action / Current Position
Internal Assessments:	
Ongoing monitoring of the performance of the internal audit activity.	Embedded processes in place as part of audit management arrangements. Action – review all aspects of performance monitoring as part of this QAIP process.
Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.	Annual self-assessments undertaken to check conformance. Action - Consider input from people from within client organisations.
External Assessments:	
External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.	First external assessment undertaken in Nov/Dec 2015 and reported to Audit Committees in early 2016. Action – Consider approach and timing of next external assessment. Note – must be undertaken by December 2020.

Reporting on the Quality Assurance and Improvement Programme:	
The chief audit executive must communicate the results of the quality assurance and improvement programme to senior management and the board.	Previously reported through the HoIA Annual Report and also IA Effectiveness Update Reports. Action – specific annual QAIP report alongside the HoIA Annual Report.
Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing”:	
Indicating that the internal audit activity conforms with the <i>International Standards for the Professional Practice of Internal Auditing</i> is appropriate only if supported by the results of the quality assurance and improvement programme.	Self-assessments indicate conformance and this statement has been incorporated in all internal audit reports. Action – this will be confirmed (or otherwise) during the full QAIP process to be undertaken between December and January and reported as above.
Disclosure of Non-conformance:	
When non-conformance with the <i>Code of Ethics</i> or the <i>Standards</i> impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the non-conformance and the impact to senior management and the board.	Not applicable. Action – to ensure transparent reporting of any non-conformance identified following the full QAIP process in December/January and publication of an action plan.

- 3.7 The detailed draft QAIP action plan is currently being discussed within the Internal Audit Team to ensure understanding and importantly an ownership of the improvement opportunities and actions.
- 3.8 In order to ensure continuous improvement and focus on quality and conformance, consideration is being given to designate a Principal Auditor within the IA Team with the responsibility to maintain and manage the QAIP and general quality process. This Principal Auditor will report to the Audit Management Team on a quarterly basis with an updated PSIAS self-assessment and QAIP action plan.
- 3.9 In addition to the specific requirements of the PSIAS, there are a number of other continuous improvement related activities underway. These include:
- a) A fundamental review of the MKInsight audit management system to ensure, in liaison with the supplier, that its current full functionality is being utilised and that the system is developed to meet our needs;
 - b) A review of the format and content of audit reports (including terminology for the assurance opinion and recommendation categorisation) and the quarterly progress reports to audit committees to improve the clarity of key messages and assessment of implications (rather than making recommendations) for management to specify actions to be implemented;

- c) A review of the HoIA annual report format and content to ensure clarity of key messages and the assessment of implications;
- d) A review of the Auditee Feedback Questionnaires issued following the completed of each audit assignment to improve the relevant dependent on type of work delivered and also the Officer(s) input at different stages of the work.
- e) A further review of the Internal Audit Charter in light of the QAIP and other improvement activities to ensure the Charter remains accurate and reflective of how the Internal Audit function is delivered.

These will also be reported upon within the overall QAIP process.

- 3.10 Clearly, ensuring an internal audit function meets all its professional standards is vitally important to provide client organisations with the best possible service. However, faced with increasing pressure on audit days it is equally essential to balance the input of resources to manage quality and professional standards compliance against actually delivering the audit function. A key role of the Audit Management Team is to constantly review this balance.

4. List of Appendices

- Appendix 1 - Public Sector Internal Audit Standards - Extract
- Appendix 2 - Draft QAIP Action Plan

Rob Winter CPFA
Head of Internal Audit and Corporate Anti-Fraud

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 Internal Audit Manager
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PUBLIC SECTOR INTERNAL AUDIT STANDARDS - EXTRACT

1300 Quality Assurance and Improvement Programme

The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.

Interpretation:

A quality assurance and improvement programme is designed to enable an evaluation of the internal audit activity's conformance with the *Standards* and an evaluation of whether internal auditors apply the *Code of Ethics*. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The chief audit executive should encourage board oversight in the quality assurance and improvement programme.

1310 Requirements of the Quality Assurance and Improvement Programme

The quality assurance and improvement programme must include both internal and external assessments.

1311 Internal Assessments

Internal assessments must include:

Ongoing monitoring of the performance of the internal audit activity.

Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.

Interpretation:

Ongoing monitoring is an integral part of the day-to-day supervision, review and measurement of the internal audit activity. Ongoing monitoring is incorporated into the routine policies and practices used to manage the internal audit activity and uses processes, tools and information considered necessary to evaluate conformance with the *Code of Ethics* and the *Standards*.

Periodic assessments are conducted to evaluate conformance with the *Code of Ethics* and the *Standards*.

Sufficient knowledge of internal audit practices requires at least an understanding of all elements of the International Professional Practices Framework.

1312 External Assessments

External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The chief audit executive must discuss with the board:

The form of external assessments.

The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.

Interpretation:

External assessments may be accomplished through a full external assessment, or a self-assessment with independent external validation. The external assessor must conclude as to conformance with the *Code of Ethics* and the *Standards*; the external assessment may also include operational or strategic comments.

A qualified assessor or assessment team demonstrates competence in two areas: the professional practice of internal auditing and the external assessment process. Competence can

be demonstrated through a mixture of experience and theoretical learning. Experience gained in organisations of similar size, complexity, sector or industry and technical issues is more valuable than less relevant experience. In the case of an assessment team, not all members of the team need to have all the competencies; it is the team as a whole that is qualified. The chief audit executive uses professional judgment when assessing whether an assessor or assessment team demonstrates sufficient competence to be qualified.

An independent assessor or assessment team means not having either an actual or a perceived conflict of interest and not being a part of, or under the control of, the organisation to which the internal audit activity belongs. The chief audit executive should encourage board oversight in the external assessment to reduce perceived or potential conflicts of interest.

Public sector requirement

The chief audit executive must agree the scope of external assessments with an appropriate sponsor, e.g. the accounting/accountable officer or chair of the audit committee as well as with the external assessor or assessment team.

1320 Reporting on the Quality Assurance and Improvement Programme

The chief audit executive must communicate the results of the quality assurance and improvement programme to senior management and the board. Disclosure should include:

The scope and frequency of both the internal and external assessments.

The qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest.

Conclusions of assessors.

Corrective action plans.

Interpretation:

The form, content and frequency of communicating the results of the quality assurance and improvement programme is established through discussions with senior management and the board and considers the responsibilities of the internal audit activity and chief audit executive as contained in the internal audit charter. To demonstrate conformance with the *Code of Ethics* and the *Standards*, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance.

Public sector requirement

The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report.

1321 Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"

Indicating that the internal audit activity conforms with the *International Standards for the Professional Practice of Internal Auditing* is appropriate only if supported by the results of the quality assurance and improvement programme.

Interpretation:

The internal audit activity conforms with the *Code of Ethics* and the *Standards* when it achieves the outcomes described therein. The results of the quality assurance and improvement programme include the results of both internal and external assessments. All internal audit activities will have the results of internal assessments. Internal audit activities in existence for at least five years will also have the results of external assessments.

1322 Disclosure of Non-conformance

When non-conformance with the *Code of Ethics* or the *Standards* impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the non-conformance and the impact to senior management and the board.

Public sector requirement

Such non-conformances must be highlighted by the chief audit executive to be considered for inclusion in the governance statement.

DRAFT QAIP Action Plan

PSIAS / LGAN Ref	Requirement	Action	Action Officer	Timescale	Current Status
Core Principles - 3.1 Demonstrates integrity:	Having regard to your review of conformance with the Code of Ethics (Integrity, Seven Principles of Public Life), do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating integrity?	Review annual declaration made by Internal Audit staff to ensure a positive affirmation is recorded.	Audit Manager (BMBC)	By 31/12/18	In progress
Core Principles - 3.5 Is appropriately positioned and adequately resourced:	Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being appropriately positioned and adequately resourced?	Review skill set requirements for the IA function for 2019/20 and beyond	HolA	By 31/03/19	To commence in January
Core Principles - 3.6 Demonstrates quality and continuous improvement:	Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating quality and continuous improvement?	The delivery of the QAIP Action Plan will provide the framework and process to ensure quality and continuous improvement	Principal Auditor (QA and Standards)	By 31/03/19	In progress
1200 Proficiency and Due Professional Care – 12.5	Do internal auditors have sufficient knowledge of key information technology risks and controls	Review skills required based on 2019/20 planning process and explore options to address any identified gaps.	Audit Manager (BMBC)	By 31/03/19	In progress
1200 Proficiency and Due Professional Care – 12.6	Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques	Review skills required based on 2019/20 planning process and explore options to address any identified gaps.	Audit Manager (BMBC)	By 31/03/19	In progress

Item 7

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

AUDIT COMMITTEE – 5th DECEMBER 2018

INTERNAL AUDIT PROGRESS REPORT 2018/19

1. Purpose of this report

- 1.1 The purpose of this report is to provide a summary of the Internal Audit activity completed, and the key issues arising from it, for the period from 1st July 2018 to 31st October 2018.
- 1.2 To provide information regarding the performance of the Internal Audit function during the period.

2 Background information

- 2.1 The Audit Committee has responsibility for reviewing the adequacy of the Council's corporate governance arrangements, including matters such as internal control and risk management. The reports issued by internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.
- 2.2 At the end of the financial year, Internal Audit will produce an Annual Internal Audit Report, which will provide our overall opinion on the adequacy of the Council's control environment and compliance with it during the year.

3 Recommendations

- 3.1 **It is recommended that the Audit Committee considers the assurances it needs on the effectiveness of the Authority's internal control, risk and governance arrangements through the work of Internal Audit by:-**
 - i. **considering the issues arising from completed Internal Audit work in the period along with the responses received from management;**
 - ii. **noting 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 2018;**
 - iii. **noting the progress against the Internal Audit plan for 2018/19 for the period to the end of October 2018; and**
 - iv. **considering the performance of the Internal Audit Service for the second quarter.**

4 Local Area Implications

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

5 Consultations

5.1 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.

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

6 Compatibility with European Convention on Human Rights

6.2 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.

7 Reduction of Crime and Disorder

7.1 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.

8 Risk Management Considerations

8.1 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.

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

- Ensuring the appropriate use of and management of, information to inform and direct internal audit activities;
- Able to provide a flexible, high performing and innovative service; and
- Ensuring continuously high levels of customer satisfaction.

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

8.4 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.

9 Employee Implications

9.1 There are no employee implications arising from this report.

10 Financial Implications

- 10.1 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.

11 Appendices

Appendix 1 - Key To Internal Audit Assurance Gradings & Classification of Management Actions.

12 Background Papers

- 12.1 Various Internal and External Audit reports, files and working papers.

Officer Contact: Head of Internal Audit & Corporate Anti-Fraud

Telephone No: 01226 773241

Date: 23rd November 2018

Barnsley Metropolitan Borough Council

Internal Audit Progress Report

Audit Committee

5th December 2018

INTERNAL AUDIT QUARTERLY PROGRESS REPORT 2018/19

1st July 2018 to 31st October 2018

Purpose of this report

This report has been prepared to inform the Committee on the Internal Audit activity for the period 1st July 2018 to 31st October 2018, bringing attention to matters that are relevant to the responsibilities of the Authority's Audit Committee.

The report also provides information regarding the performance of the Internal Audit function during the period.

2018/19 Internal Audit Plan Progress

The following tables show the progress of the internal audit plan up to the end of October 2018, analysed by the number of plan assignments producing a report and audit days delivered by Directorate / Service.

Position as at 31st October 2018 – Audit Days Delivered

Directorate	Original 2018/19 plan days	Revised 2018/19 plan days	Actual days (% of revised days)
Communities	133	118	82 (69%)
People	111	111	95 (86%)
Place	40	55	40 (73%)
Public Health	25	25	7 (28%)
Core Services	397	300	210 (70%)
Council Wide	142	152	141 (93%)
Corporate	152	178	110 (62%)
HolA role as DPO	30	30	40 (133%)
Responsive	50	111	-
Barnsley MBC	1,080	1,080	725 (67%)

Corporate Anti-Fraud Team	580	558	339 (61%)
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Sub Total	1,660	1,638	1064 (65%)
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External Clients	1,524	1,581	802 (51%)
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Total Chargeable Planned Days	3,184	3,219	1,866 (58%)
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Position as at 31st October 2018 – Plan Assignments

Directorate	2018/19 plan assignments	Assignments expected to be completed to date	Actual assignments completed
Communities	3	1	1
People	5	4	1
Place	1	0	0
Public Health	0	0	0
Core Services	14	8	6
Total	23	13	8

Whilst there is a variance of 5 assignments completed, these are in draft report stage, see Work in Progress at page 6.

Changes to the 2018/19 Internal Audit Plan

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.

The following audits have been deferred, added to or deleted from the audit plan, as agreed in conjunction with management:

Directorate/ Service	Audit Assignment Title	Deferred / Added / Deleted/ +/- contingency days
Core – Finance	Berneslai Homes	Deferred – On advice from the Service Director – Finance – considered too early in the transfer of functions from BH. To be considered during 2019/20 planning process.
Core - Finance	Accountability Framework	Deferred – For the review to be effective we need to ensure that the framework is embedded within the organisation.
Core – Business Improvement & Communications	Future Council 2020	Deleted – As other 2018/19 audit reviews/ Board attendance are providing assurance on the main component parts of this review
Core – Legal	Charity Accounts	Added - Allocation of days in order to provide independent certification of the various charity accounts administered by the Council.

Final Internal Audit reports issued

We have finalised 6 audit reports since the last Audit Committee meeting. The following table provides a summary of assurances and the number and categorisation of recommendations included in these reports:

Directorate- Audit Assignment	Assurance Opinion	Number of recommendation raised:			Total	Agreed
		Fundamental	Significant	Merits Attention		
Communities – Disabled Facilities Grants	Limited	0	3	12	15	15
Core – Purchase to Pay	Adequate	0	0	3	3	3
Core – Payroll	Adequate	0	2	4	6	6
Core -Income	Adequate	0	3	2	5	5
Core – Main Accounting	Substantial	0	0	2	2	2
Core – Treasury Management	Substantial	0	0	3	3	3
Total		0	8	26	34	34

Please note that final audit reports are available to Audit Committee members on request.

We have included definitions of the gradings for the assurance opinion and the recommendations in Appendix 1 to this report.

Internal Audit reports providing a limited or no assurance opinion

A summary of the key issues included in audit reports finalised during the period providing a Limited or No Assurance opinion is as follows:

Audit Assignment-	Key Issues
Communities – Disabled Facilities Grants Limited	The review identified that management information produced; reporting & management oversight arrangements for DFGs have been minimal to date. The team were also struggling to adhere to policies & procedures due to lack of resources. A further 2 additional members of staff have been recruited over the past few months in order to address the issue.

Details and outcome of other Internal Audit activities concluded in the period not producing a specific assurance opinion

Audit Work Completed	Details	Contribution to Assurance
Place: Homes England Compliance Grant Verification	Home England Compliance Grant Verification	The work contributes to assurance in respect of financial management.
Communities: Troubled Families – Quarterly validation	Grant claim validation.	The work contributes to assurance in respect of financial management.
Place: URBACT TechTown Grant Certification	Independent verification of energy data prior to submission.	The work contributes to assurance in respect of financial management.
Core: Payroll VFM Review	Advice provided to Finance Business Unit on how to develop their own methodology for VFM workshops to rollout out corporately.	The work contributes to assurance in respect of financial management, and performance management.
Core: Advice	Advice provided in the following areas: <ul style="list-style-type: none"> • Business Support – Operational Procedures • Commercial Services – written operational procedures, examples of good practice 	The work contributes to assurance in respect of financial management, safeguarding, and performance management.
People: Advice	Advice provided in the following areas: <ul style="list-style-type: none"> • Contract Compliance, Funding & Performance – Payment of volunteer's expenses • Schools Fixed Penalty Notices – currently policies & procedures 	The work contributes to assurance in respect of financial management, safeguarding, and performance management.
Place: Advice	Advice provided in the following areas: <ul style="list-style-type: none"> • Renewal of Contracts with Third Party Providers – Commission Based (Museums) 	The work contributes to assurance in respect of financial management, safeguarding, and performance management.
Communities: Advice	Advice provided in the following areas: <ul style="list-style-type: none"> • Disable Facilities Grants – revised grant calculation/ approval form & proposed procedures • Shared Lives Service - Preparation for imminent CQC inspection 	The work contributes to assurance in respect of financial management, safeguarding, and performance management.

Other Internal Audit work undertaken

Audit Activity	Description
Follow-up of Recommendations	Regular work undertaken to follow-up recommendations made.
Attendance at Steering / Working Groups	<ul style="list-style-type: none"> • Information Governance Board • Commissioning, Procurement & Contracts Working Group • Housing Property Repairs & Improvement Board • Digital Leadership Team • Capital Programme Oversight Board • SharePoint Board • Public Health Quality & Governance 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.
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.

Work in progress

The following table provides a summary of audits in progress at the time of producing this report:

Directorate- Audit Assignment	Audit Planning	Work in Progress	Draft Report
Core – E-Enabled Leave			✓
Core – Procurement Compliance Review		✓	
Core – Charity Accounts		✓	
Core – Inspection Readiness			✓
Communities – IT Project/ Programme Management		✓	
People - Future Directions			✓
People – Residential Commissioning of Placements / Fostering			✓
People – Schools Management of Exclusions			✓
Place – Home to School Transport	✓		

Follow-up of Internal Audit report management actions

As previously reported to members, Internal Audit is working closely with management to monitor the general position with regards the implementation of management actions and to establish the reasons behind any delays. In an effort to provide more transparency to Executive Directors on the status and progress of their management actions, Internal Audit continues to issue a detailed monthly status update. This is in addition to the quarterly performance reports currently presented to SMT.

The following table shows the status of internal audit management actions by Directorate due for completion during the period:

Analysis of Agreed Management Actions Followed Up in the Period 1st July to 31st Oct 2018

Rec. Classification	Due for completion this period	Completed in period	Not yet completed – Revised date agreed	Not yet completed / No management response	Number not yet due	Number Followed up in period
Communities						
Fundamental	0	0	0	0	0	0
Significant	0	0	0	0	3	3
TOTAL	0	0	0	0	3	3
Place						
Fundamental	1	0	0	1	0	1
Significant	5	2	3	0	1	6
TOTAL	6	2	3	1	1	7
People (excl Maintained Schools)						
Fundamental	0	0	0	0	0	0
Significant	3	3	1	0	0	4
TOTAL	3	3	1	0	0	4
Maintained Schools						
Fundamental	1	0	1	0	0	1
Significant	11	0	9	2	0	11
TOTAL	12	0	10	2	0	12
Core						
Fundamental	1	1	0	0	1	2
Significant	23	10	8	5	5	28
TOTAL	24	11	8	5	6	30
Public Health						
Fundamental	0	0	0	0	0	0
Significant	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0
OVERALL TOTAL	45	16	18	11	11	56
		45				

Internal Audit performance indicators and performance feedback for 2018/19

Internal Audit's performance against a number of indicators is summarised below.

Ref.	Indicator	Frequency of Report	Target 2018/19	This Period	Year to Date
1.	<u>Customer Perspective:</u>				
1.1	Percentage of questionnaires received noted "good" or "very good" relating to work concluding with an audit report.	Quarterly	95%	100% (1 response received)	100% (1 response received)
2.	<u>Business Process Perspective:</u>				
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report. (5/7 reports)	Quarterly	80%	71%	60%
2.2	Percentage of chargeable time against total available.	Quarterly	73%	72%	74%
2.3	Average number of days lost through sickness per FTE (Cumulative 14.8 days in total)	Quarterly	6 days	0.9 days	0.9 days
3.	<u>Continuous Improvement Perspective:</u>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%
4.	<u>Financial Perspective:</u>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Yes	Yes

Quarterly and full year performance of the function is satisfactory with the majority of performance indicators (PIs) meeting or exceeding target levels. The percentage of final audit reports being issued within 10 days is currently not meeting the target. This was due to officer availability over the summer holiday period. We expect this pick up through the remainder of the year.

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 Service’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 Service’s expenditure for the year has been kept within the budget.

Head of Internal Audit's Internal Control Assurance Opinion

The Head of Internal Audit and Corporate Anti-Fraud must deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Based on the audits reported in the period, an overall **adequate** assurance opinion is considered to be appropriate.

A summary of our quarterly opinions for the year to date is as follows:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Assurance Opinion	Adequate	Adequate		

Consideration of our overall opinion takes the following into account:

- results from the substantive audit assignments we have completed during the period;
- outcomes from our audit work not producing an assurance opinion;
- an assessment as to the timely implementation of internal audit report management actions.

Fraud, Investigations and the Corporate Anti-Fraud Team

The Audit Committee receives a separate report 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.

Audit Contacts

Contact	Title	Contact Details
Rob Winter	Head of Internal Audit & Corporate Anti-Fraud	Tel: 01226 773241 Mobile: 07786 525319 Email: RobWinter@barnsley.gov.uk
Louise Booth	Audit Manager	Tel: 01226 773190 Mobile: 07796 305837 Email: LouiseBooth@barnsley.gov.uk

KEY TO INTERNAL AUDIT ASSURANCE GRADINGS AND CLASSIFICATION OF MANAGEMENT ACTIONS

1. Classification of Management Actions

Fundamental	A management action requiring immediate attention – imperative to ensuring the objectives of the system under review are met.
Significant	A management action requiring action necessary to avoid exposure to a significant risk to the achievement of the objectives of the system under review.
Merits Attention	A management action where action is advised to enhance control or improve operational efficiency.

2. Assurance Opinions

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	Substantial Assurance	Robust framework of controls exist that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Adequate Assurance	Sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	Limited Assurance	Risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	No Assurance	Significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.

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Item 8

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report of the Executive Director, Core Services
and Service Director, Finance (S151 Officer)

TREASURY MANAGEMENT ACTIVITIES AND LEASING REVIEW - QUARTER ENDED SEPTEMBER 2018

1. Purpose of Report

1.1 This document reviews the Council's treasury management and leasing activities during the second quarter of 2018/19, in accordance with the CIPFA Treasury Management Code and CIPFA Prudential Code.

1.2 In broad terms it covers the following:

- The agreed Treasury Management Strategy for 2018/19;
- Economic summary;
- The Council's borrowing and leasing activity;
- The Council's investment activity, and
- Prudential and Treasury Indicators for 2018/19.

2. Recommendations

2.1 It is recommended that Cabinet:

- **Note the treasury management and leasing activities carried out during the second quarter;**
- **Note the Prudential and Treasury Indicators set out in Appendix 2, and**
- **Recommend the Revised 2018/19 Investment Limits to Full Council for approval, as set out in the table at paragraph 6.7.**

3. The Agreed Strategy for 2018/19

3.1 The Treasury Management Strategy identifies the key risks associated with the Council's borrowing, investment and leasing activities and sets out how those risks will be managed.

3.2 The focus of the borrowing strategy is to actively reduce the Council's exposure to interest rate and refinancing risk, whilst being mindful of the impact on its capital financing costs.

3.3 The investment strategy is to prioritise security (keeping investment balances to a minimum in order to reduce counterparty risk) and liquidity (ensuring cash is available when required) before pursuing higher returns.

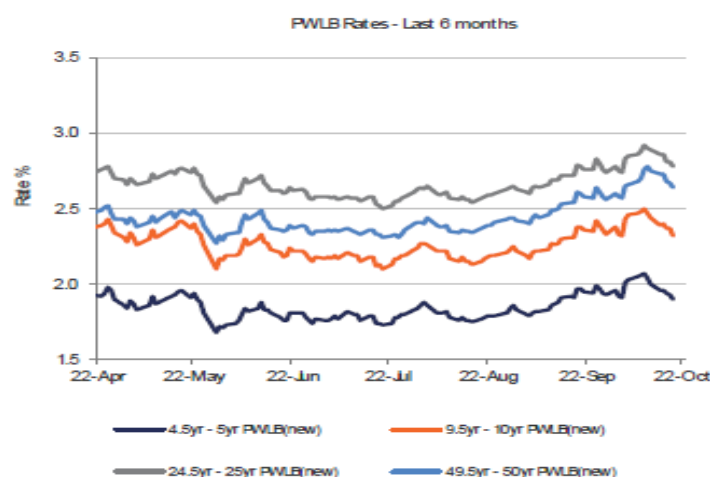
3.4 Officers are proposing to amend the investment strategy to facilitate the additional borrowing planned for this financial year (paragraph 6.4 refers).

4. Economic Summary

Highlights (see Appendix 1 for more details):

- *In August the UK base rate was raised from 0.5% to 0.75%;*
- *The Bank of England have affirmed that any further interest rate rises should be gradual and limited, suggesting two rate hikes in the next three years;*
- *Our advisors (Link Asset Services) believe that rates may rise more quickly, suggesting three rate hikes by the end of 2020/21;*
- *Interest rates are becoming increasingly volatile as a result of Brexit and political uncertainty.*

- 4.1 In August the UK base rate (determined by the Bank of England's Monetary Policy Committee) was raised from 0.5% to 0.75%, in a bid to reduce inflation. This followed a pick-up in wage growth and consumer price inflation from the first quarter.
- 4.2 The Bank of England have affirmed that any further interest rate rises should be gradual and limited, suggesting two rate hikes (in the next three years) may be sufficient to hit the Government's 2% inflation target.
- 4.3 Our advisors (Link Asset Services) believe that rates may rise more quickly, suggesting three rate hikes by the end of 2020/21. There is some indication that the next rise could happen as early as February 2019.
- 4.4 Much of this is dependent on the outcome of Brexit which is very unclear. Adding to this uncertainty is the mention of another general election in the next 12 months. As a result, interest rates are becoming increasingly volatile which makes them very difficult to forecast going forwards (see appendix 1 for more details).
- 4.5 The following chart shows how borrowing rates have changed over the past 6 months, which highlights the volatility mentioned above:



5. Borrowing and Leasing Activity

Highlights:

- No new borrowing was undertaken during the quarter, however the Council has since borrowed £70M bringing the total to date for 2018/19 to £110M;
- By the end of 2018/19, the Council's Capital Financing Requirement (CFR) is expected to reach £961M (a net increase in year of £12M);
- In the same period, the Council's under-borrowed position is expected to fall to £90M (down £71M from the estimated position);
- Based on current reserves assumptions, the Council may be required to borrow up to £237M over the next 3 years;
- Plans are being put in place to fix out around 50% of this over the coming months.

Movement on Gross Debt

5.1 The table below shows the movement on gross debt during the quarter. The net decrease of £1M relates to PWLB principal repaid around the end of August.

Source	Balance on 01/07/2018 (£M)	New Debt (£M)	Debt Repaid (£M)	Balance on 30/09/2018 (£M)	Net Increase / (Decrease) (£M)
PWLB Borrowing	449.679	-	(1.262)	448.417	(1.262)
Other Long Term Loans*	63.000	-	-	63.000	-
Temporary Borrowing	36.003	-	-	36.003	-
Long Term LA Loans	31.598	-	-	31.598	-
Total Borrowing	580.280	-	(1.262)	579.018	(1.262)
Other Long Term Liabilities	222.587	-	-	222.587	-
Total Debt	802.867	-	(1.262)	801.605	(1.262)

* Excludes deferred loans of £40M yet to be drawn down

5.2 No new borrowing was undertaken during the quarter, however the Council has since borrowed £70M from the PWLB, bringing the total to date for 2018/19 to £110M (see table below for details):

Date	Loan Type	Principal (£M)	Interest Rate (%)	Term (Y)
31/05/2018	PWLB	10	2.25	50
19/06/2018	PWLB	10	2.32	49
26/06/2018	Deferred Loan	20	2.65	28.5
01/10/2018	PWLB	20	2.56	50
16/10/2018	PWLB	20	2.79	48
16/10/2018	PWLB	10	2.75	48
19/10/2018	PWLB	10	2.68	47
25/10/2018	PWLB	10	2.62	45
Total		110	2.60 (avg)	44.7 (avg)

Movement on the Capital Financing Requirement (CFR)

- 5.3 The CFR reflects the Council's underlying need to borrow - to finance capital investment - and is a measure of the Council's total outstanding indebtedness. This figure is influenced by the level of in-year capital investment (which isn't funded through the Council's own resources) and the resources set aside to repay debt (such as the minimum revenue provision). The Council monitors its CFR in relation to gross debt to determine the extent to which it is under (or over) borrowed.
- 5.4 The table below outlines the movement in CFR expected during 2018/19 and how this compares to the agreed strategy. The £6M variance primarily relates to slippage / re-phasing within the approved capital programme:

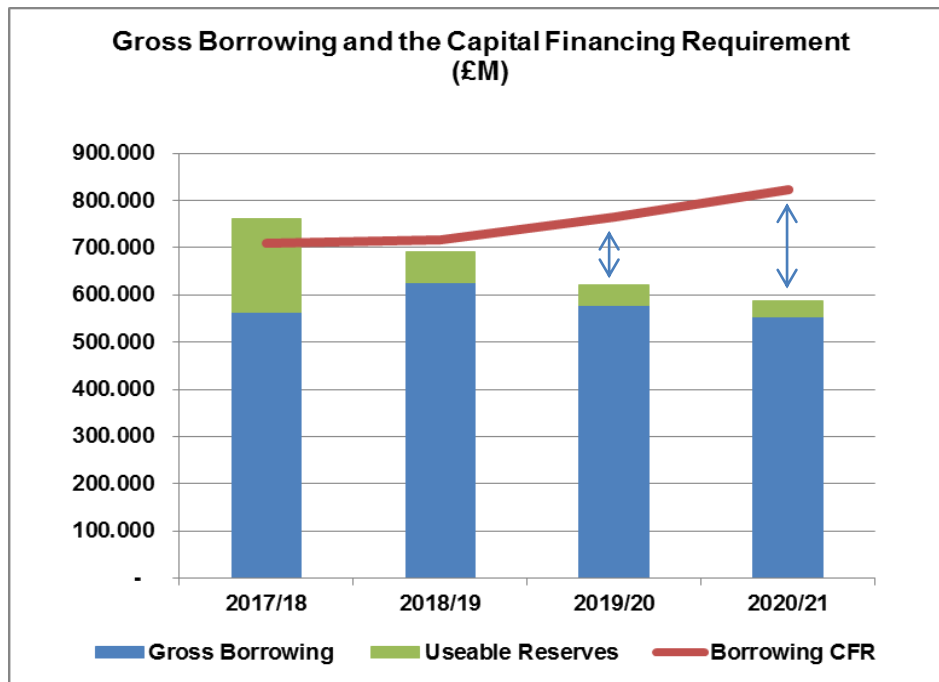
	2018/19 Strategy (£M)	2018/19 Latest (£M)	Variance (£M)
Opening CFR	945.549	949.904	4.355
Increase from in-year capital investment	32.192	20.141	(12.051)
Amounts set aside to repay debt	(10.465)	(8.580)	1.885
Net Movement in CFR	21.727	11.561	(10.166)
Closing CFR	967.276	961.465	(5.811)
General Fund	701.237	693.649	(7.588)
HRA	266.039	267.816	1.777

- 5.5 The following table shows the expected under-borrowed position at the end of the year and how this compares to the agreed strategy. The £71M variance is a combination of slippage / re-phasing within the approved capital programme, additional resources set aside to repay debt and the long term borrowing secured since January 2018:

	2018/19 Strategy (£M)	2018/19 Latest (£M)	Variance (£M)
Closing CFR (From Table Above)	967.276	961.465	(5.811)
Less PFI Schemes / Finance Leases	(236.348)	(244.450)	(8.102)
Borrowing CFR	730.928	717.015	(13.913)
Gross Borrowing	(569.813)	(626.814)	(57.001)
Under / (Over) Borrowed Position	161.115	90.201	(70.914)
General Fund	152.134	79.443	(72.691)
HRA	8.981	10.758	1.777

Future Outlook

- 5.6 The chart overleaf shows the expected movements on gross borrowing and useable reserves over the next 3 years, compared to the borrowing CFR. As the chart illustrates, the Council was significantly under-borrowed in 2017/18, however this position was supported by useable reserves which will ultimately need replacing as they are utilised:



5.7 Based on current projections, the Council may be required to borrow up to £237M over the next 3 years, which is a combination of planned capital investment (to be funded from borrowing), maturing loans and use of reserves. A breakdown of which is provided below:

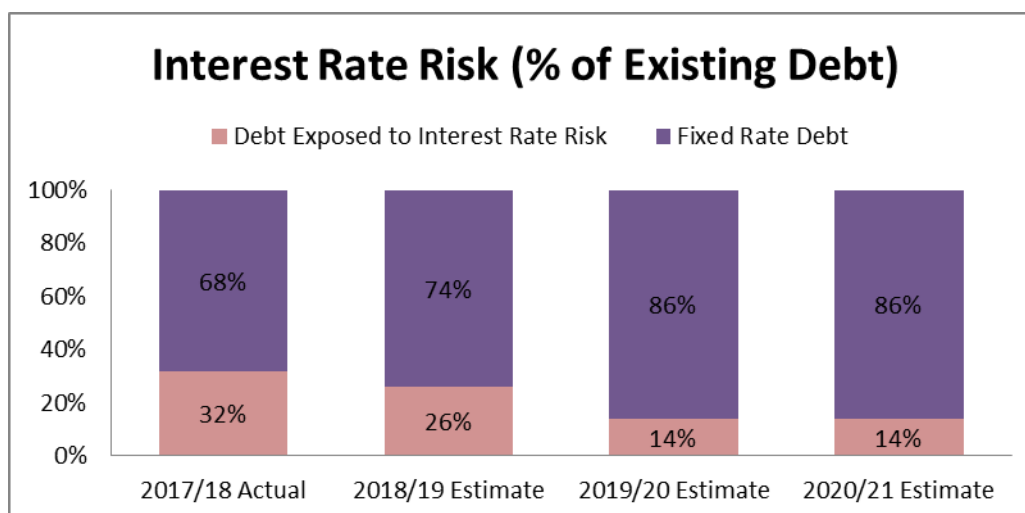
	2017/18 Actual (£M)	2018/19 Estimate (£M)	2019/20 Estimate (£M)	2020/21 Estimate (£M)
Borrowing CFR	710.250	717.015	764.140	823.673
Gross Borrowing	(563.213)	(626.814)	(578.481)	(552.580)
Under / (Over) Borrowed Position	147.037	90.201	185.659	271.093
Useable Reserves*	(147.037)	(64.300)	(43.372)	(34.289)
External Borrowing Requirement	-	25.901	142.287	236.804

* Represents the useable reserves supporting the Council's under-borrowed position

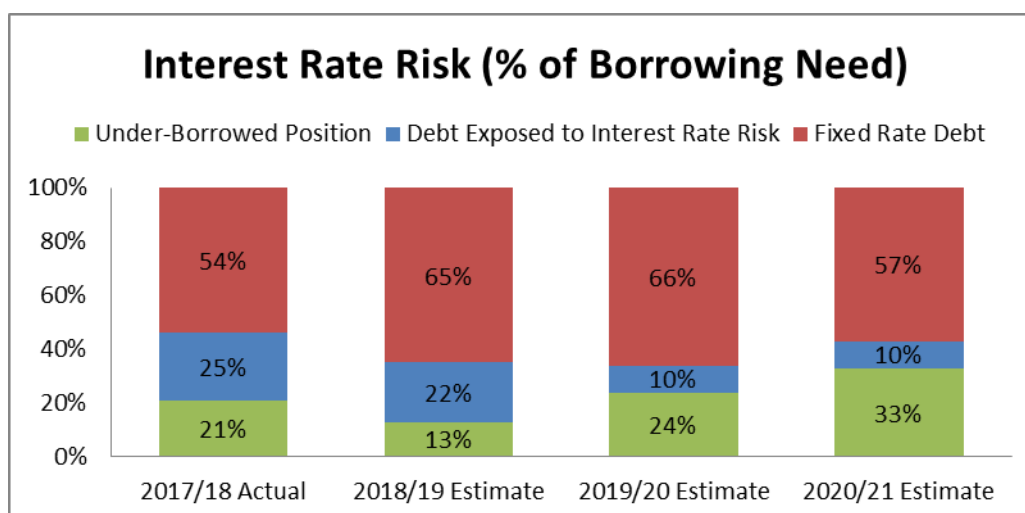
	Estimate (£M)
Planned Capital Investment (Net of Amounts Set Aside to Repay Debt)	113.423
Maturing Loans	140.633
Forward Loan (Secured in December 2017)	(20.000)
Use of Reserves	112.748
External Borrowing Requirement (Before In-Year Borrowing)	346.804
In-Year Borrowing	(110.000)
External Borrowing Requirement (Latest)	236.804

5.8 This table excludes loans with an uncertain maturity date (for instance the Council's LOBOs) which amount to £67M. If interest rates were to increase suddenly, replacing this debt would come at an additional cost, although the likelihood of these loans being recalled is considered to be fairly low.

- 5.9 The chart below expresses the Council's interest rate risk exposure as a % of its existing debt (excluding PFI / lease liabilities), covering variable rate debt from the PWLB, temporary loans from other local authorities and LOBOs, which are all (to some degree) sensitive to movements in interest rates. The Council is already within the target set of 25%; this position is set to improve in 2019/20 as the two variable rate PWLB loans mature:



- 5.10 The chart below expresses the Council's interest rate risk exposure as a % of its overall borrowing need (excluding PFI / lease liabilities). In addition to existing debt, this covers any unfinanced expenditure which the Council will need to borrow for in future (i.e. its under-borrowed position). Whilst the Council is currently within the 35% target set in the 2018/19 strategy, this position is set to deteriorate as its borrowing CFR increases:



- 5.11 Plans are being put in place to fix out around 50% of the Council's external borrowing requirement over the coming months. This would reduce the Council's interest rate risk exposure to 12% (based on existing debt) and 28% (based on borrowing need) by 2020/21.

5.12 The Council's borrowing strategy considers several options to address its risk exposure including the following:

- **Fixed-rate borrowing from the PWLB** - whilst rates are still relatively low this continues to be a suitable option for the Council to consider. The Council has borrowed £90M from the PWLB during the year to date at an average rate of 2.60%.
- **Borrowing from the Municipal Bonds Agency (MBA)** - whilst a bond has yet to be issued this remains a potential option for the future. Should this materialise, it could allow the Council to access cheaper funding than the PWLB (£10M initially), although an investor has yet to be identified.
- **Further deferred loans** - these allow the Council to borrow at a fixed rate - typically 0.15-0.20% above PWLB - and draw down the cash up to 4 years in advance, thus protecting the Council from any sudden interest rate rises whilst reducing cost of carry and counterparty risk. The Council has secured £40M to date and is aware of two other potential lenders which it will continue to explore.
- **Loans from other local authorities** - the Council could look to replace some maturing debt with longer-term loans from other local authorities, which would help to spread refinancing risk.

5.13 Other options being considered in support of the borrowing strategy include:

- **LOBO refinancing** - Officers are investigating a potential opportunity to refinance one of its existing LOBO loans which would increase budget certainty (by removing the call option) without a substantial increase in cost. A similar opportunity was investigated in the past (with another lender) but was discounted at the time, as they did not appear to want to engage in discussions to re-negotiate the deal (despite initially encouraging dialogue).
- **BSF refinancing** – the Council continues to refinance the Building Schools for the Future PFI programme in conjunction with the Local Education Partnership. This has already been completed for phases 1 and 2 and it is proposed to complete the final outstanding phase 3 by the end of this financial year. This process will create additional savings for the Council as well as key partners which have already been factored into the Council's MTFS.

6. Investment Activity

Highlights:

- *Investment balances increased by £4M during the quarter (compared to £33M during Q1);*
- *Officers continued to prioritise security and liquidity in line with the approved strategy;*
- *Officers continued to take advantage of the competitive rates offered by other local authorities.*

Movement on Investments

6.1 The table below shows the movement on investments during the quarter. The net increase of £4M relates to cash received in advance of expenditure.

Source	Balance on 01/07/2018 (£M)	New Investments (£M)	Redeemed Investments (£M)	Balance on 30/09/2018 (£M)	Net Increase / (Decrease) (£M)
Short Term Investments	68.000	73.000	(73.000)	68.000	-
Money Market Funds / Instant Access Accounts	31.950	87.050	(83.500)	35.500	3.550
Total Investments	99.950	160.050	(156.500)	103.500	3.550

6.2 Officers continued to prioritise security and liquidity in line with the approved strategy. The bulk of transactions remained with Money Market Funds and instant access accounts as officers managed the Council's daily cash position.

6.3 Officers continued to take advantage of the competitive rates offered by other local authorities, which helps to boost returns whilst preserving the capital invested.

Future Investment Strategy

6.4 As referred to in section 5, the Council has recently fixed out a large portion of its external borrowing requirement - specifically to de-risk the Glassworks Development - and plans to reduce this requirement further in light of the increasing interest rate volatility. Cash balances are therefore expected to reach £200M before ultimately being spent on planned capital investment.

6.5 The current strategy is unsuitable for managing this scale of investment; therefore officers are proposing to increase some of the current limits to accommodate this additional borrowing. The Council will continue to invest its funds prudently in line with Government and CIPFA guidance. As such any increase in limits is restricted to the securest products and institutions.

- 6.6 These changes have been considered in view of several impending policy / regulatory changes, namely:-

European Money Market Fund Reform - introduces a number of regulatory changes that will apply to existing funds from January 2019 that will see the Council's existing funds converting to a new structure known as Low Volatility Net Asset Value (LVNAV). These aren't currently part of the 2018/19 strategy however our treasury advisors have indicated that the changes will give councils added protection. As such it is recommended that the Council approves changes to the strategy to allow LVNAV funds with immediate effect).

IFRS9 Financial Instruments - introduces a number of accounting changes that came into effect from 2018/19. These changes could mean that any investment losses from revaluations will need to be recognised in the Council's general fund.

- 6.7 In consideration of the above, the following counterparty limits are recommended for approval:

	PROPOSED LIMITS		PREVIOUS LIMITS	
	Amount	Duration	Amount	Duration
UK Government	Unlimited	5 years	Unlimited	5 years
Barclays Bank PLC (the Council's own banker)	£10m	Liquid	£10m	Liquid
Banks (with a credit score* of 4 or less)	£20m single £20m group	1 year	£10m single £15m group	2 years
Banks (with a credit score of 5)	£10m single £15m group	6 months	£10m single £15m group	6 months
Banks (with a credit score of 6)	£10m single £15m group	100 days	£10m single £15m group	100 days
Building Societies (with a credit score of 4 or less)	£10m	6 months	£5m	6 months
Building Societies (with a credit score of 5)	£5m	6 months	£5m	6 months
Building Societies (with a credit score of 6)	£5m	100 days	£5m	100 days
Local Authorities	£20m	2 years	£10m	1 year
Money Market Funds (CNAV)	£20m	Liquid	£10m	Liquid
Money Market Funds (LVNAV)	£10m	Liquid	Excluded	Excluded

* Each institution is assigned a credit score of 1-7 (by the Council's treasury advisors) according to their credit rating and other related factors - 1 being the strongest score and 7 being the weakest. The stronger the score the longer the suggested duration.

- 6.8 Officers are also proposing to increase the limit on investments in foreign countries from £15M to £50M, since all qualifying countries have a sovereign credit rating of AA- or above. In contrast the UK government is rated AA.

7. Performance Measurement / Compliance with Prudential and Treasury Limits

- 7.1 The Council's Capital Financing budget is expected to underspend by around £1.5M in year through postponing borrowing and taking advantage of low cost temporary loans. However the Authority is beginning to fix out its borrowing in light of the anticipated interest rate rises, therefore these savings are one-off in nature.
- 7.2 During the quarter, the Council has operated within the prudential and treasury indicators set out in the agreed strategy and in compliance with its Management Practices (see Appendix 2 for more details).

8. Background Papers

- Treasury Management Strategy and Policy Statement (Cab.7.2.2018/7)

APPENDIX 1 - ECONOMIC COMMENTARY FROM LINK ASSET SERVICES

Our treasury management advisers, Link Asset Services provided us on 6th August with the following update to their interest rate forecasts:

Quarterly Inflation Report and Monetary Policy Committee (MPC) meeting 2 August

- *Our previous forecast was for a first Bank Rate increase to 0.75% in November 2018*
- *This first increase has now happened on 2 August*
- *The sharp downturn in GDP growth in quarter 1 this year has probably turned out to be only a temporary dip due to bad weather, rather than a possible trend*
- *The MPC was more hawkish than expected*

The flow of generally positive economic statistics since the end of the first quarter this year has meant that the MPC had no further reason to sit on its hands and they accordingly pressed the button last week for the first increase in Bank Rate above 0.5% since the financial crash. However, they emphasised again that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast.

Overall, the MPC was more hawkish than expected, i.e. this indicates a faster pace of increases than previously expected: -

- The MPC vote was 9-0, not 7-2 as expected.
- GDP growth forecast for 2019 was upped from 1.7% to 1.8%; (2018 and 2020 unchanged).
- The MPC believe the economy will be operating at a small amount of excess demand in 2020, (previously 2021). This is likely to generate an increase in home grown inflationary pressures, (as opposed to imported inflation due to a one off fall in the value of sterling).
- The unemployment rate is expected to fall to 3.9% (equilibrium rate forecast to be 4.25%). N.B. the percentage of the population in employment is also at record highs.
- In addition, the MPC expressed concern at how weak productivity increases have been in recent years and this may lead to a build-up of wage inflation pressures as a result.
- CPI inflation now forecast to be *above* 2% target in 2 years' time, albeit only @ 2.09%.
- Governor Carney commented that monetary policy would "need to walk, not run, to stand still", i.e. pressures in the economy are expected to build and the MPC will need to take action to keep pace.

LINK ASSET SERVICES' FORECASTS

Our interest rate forecasts have, therefore, had to move forward our expected first increase in Bank Rate from November to last week. We do not think that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. We also feel that the MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by the next increases in May and November 2020 to reach 1.5%. There is, therefore, no change in our Bank Rate forecasts apart from the inclusion of the rate increase last week.

Financial markets are now expecting the next increase in Bank Rate to be in February 2019 and then only one more in February 2020, therefore ending March 2021 at only 1.25%. The MPC commented that the markets were too cautious with their view of the pace of increases.

As for forecasts of PWLB rates, there is little change apart from some minor advances of the pace of increase.

However, and this is a VERY BIG caveat, the forecasts above by the MPC and ourselves are predicated on an assumption that sufficient progress is made, in respect of negotiations, to produce a reasonable agreement for Brexit that benefits both the EU and the UK in a sensible manner. If no agreement is reached at all, then our forecasts for increases in Bank rate and PWLB rates will be subject to greater change, most likely downwards.

Forecasts for average investment earnings beyond the three year time horizon will be heavily dependent on economic and political developments.

Gilt yields and PWLB rates

The general situation is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more “risky” assets i.e. equities, or the “safe haven” of government bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently, although there are likely to also be periods of sharp volatility from time to time.

We have pointed out consistently that the Fed. Rate is likely to go up more quickly and more strongly than Bank Rate in the UK. While there is normally a high degree of correlation between the bond yields of both countries, we would expect to see an eventual growing decoupling of yields between the two i.e. we would expect US yields to go up faster than UK yields. Over the period since the start of 2017, there has been a strong correlation between increases in treasury, gilt and bund yields for periods longer than 5 years, although the rate of increase in the UK and Germany has been somewhat lower than in the US. We will need to monitor this area and any resulting effect on PWLB rates.

The balance of risks to economic growth and Bank Rate increases

The overall balance of risks to economic growth in the UK is probably neutral. The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

Our forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU, (apart from the departure of the UK), within our forecasting time period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth. However, the current round of increases in tariff rates sparked by President Trump, both actual and threatened, are causing increasing concern around the potential impact on world growth and also on inflationary pressures, e.g. in the US.

We would, as always, remind clients of the view that we have expressed in our previous interest rate revision newsflashes of just how unpredictable PWLB rates and bond yields are at present. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

BANK RATE	now	previously
Q1 2019	0.75%	0.75%
Q1 2020	1.00%	1.00%
Q1 2021	1.50%	1.50%

Our target borrowing rates and the current PWLB (certainty) borrowing rates are set out below:

PWLB debt	Current borrowing rate as at 6.8.18	Target borrowing rate now (end of Q3 2018)	Target borrowing rate previous (end of Q3 2018)
5 year	1.81%	2.00%	2.00%
10 year	2.22%	2.40%	2.40%
25 year	2.60%	2.80%	2.80%
50 year	2.39%	2.60%	2.50%

Borrowing advice: although rates have risen from their low points, particularly in periods up to 10 years, longer term rates are still historically low and borrowing should be considered if appropriate to your strategy. We still see value in the 40 years to 50 years range, but note the curve has flattened considerably from 10 years out. Value, however, in the 40-50 years part of the curve may be negated if Bank Rate does not climb to at least 2.5% over the medium term. Accordingly, clients will need to review and assess their risk appetite in terms of any underlying borrowing requirement they may have, and also project forward their position in respect of cash backed resources. Any new borrowing should also take into account the continuing cost of carry, the difference between investment earnings and borrowing rates, especially as our forecasts indicate that Bank Rate may rise to only 1.50% by December 2020.

Our suggested budgeted investment earnings rates for investments up to about three months' duration in each financial year for the next seven years are as follows: -

Average earnings in each year	Now	Previously
2018/19	0.75%	0.75%
2019/20	1.00%	1.00%
2020/21	1.50%	1.25%
2021/22	1.75%	1.50%
2022/23	1.75%	1.75%
2023/24	2.00%	2.00%
Later years	2.75%	2.75%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. The general expectation for an eventual trend of gently rising gilt yields and PWLB rates is unchanged. Negative, (or positive), developments could significantly impact safe-haven flows of investor money into UK, US and German bonds and produce shorter term movements away from our central forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps.

Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

APPENDIX 2 - PRUDENTIAL AND TREASURY INDICATORS AS AT 30/09/2018

Prudential Indicators	Limit for 2018/19 (£M)	Quarter 2 Actual (£M)	Compliance with Indicator?
Average Debt to Operational Boundary	967.276	802.142	Yes
Maximum Debt to Authorised Limit	997.276	802.866	Yes
Capital Financing Requirement to HRA Debt Cap	301.000	277.096	Yes

Maturity structure of GF borrowing	Lower Limit (%)	Upper Limit (%)	Quarter 2 Actual (£M)	Quarter 2 Actual (%)	Compliance with Indicator?
Under 12 months	0	50	38.768	12	Yes
12 months to 2 years	0	25	48.742	15	Yes
2 years to 5 years	0	25	41.683	13	Yes
5 years to 10 years	0	25	14.202	5	Yes
10 years to 20 years	0	75	10.611	3	Yes
20 years to 30 years	0	75	23.808	7	Yes
30 years to 40 years	0	75	81.609	26	Yes
40 years to 50 years	0	75	61.714	19	Yes

Maturity structure of HRA borrowing	Lower Limit (%)	Upper Limit (%)	Quarter 2 Actual (£M)	Quarter 2 Actual (%)	Compliance with Indicator?
Under 12 months	0	25	37.649	1	Yes
12 months to 2 years	0	25	49.611	19	Yes
2 years to 5 years	0	25	12.383	6	Yes
5 years to 10 years	0	25	18.062	7	Yes
10 years to 20 years	0	75	12.070	3	Yes
20 years to 30 years	0	75	31.712	12	Yes
30 years to 40 years	0	75	72.794	42	Yes
40 years to 50 years	0	75	24.315	10	Yes

Treasury Indicators	Limit for 2018/19 (%)	Quarter 2 Actual (%)	Compliance with Indicator?
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GF

Upper limit of fixed interest rates based on gross debt	90	89	Yes
Upper limit of variable interest rates based on gross debt	25	11	Yes

HRA

Upper limit of fixed interest rates based on gross debt	100	82	Yes
Upper limit of variable interest rates based on gross debt	25	18	Yes

	Limit for 2018/19 (£M)	Quarter 2 Actual (£M)	Compliance with Indicator?
Upper limit for principal sums invested over 365 days	20.000	-	Yes

Audit Progress Report

Barnsley Metropolitan Borough Council
Year ending 31 March 2019

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20 November 2018



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Introduction



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

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of areas to consider as applicable to your authority in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

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

If you would like further information on any items in this report, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either Gareth or Thilina.

Progress as at 20 November 2018

2018-19 Accounts Audit

We have commenced our planning procedures for the 2018-19 financial statement audit, which included a number of introductory meetings with senior management in July.

Our detailed work and interim audit visit is scheduled to commence in February 2019 and we will discuss the exact timing of these visits with the finance team.

Some of the key matters to have taken place since our last Audit Committee update to you on 19 September include:

- A series of introductory meetings on 4 October with Neil Copley, key members of the finance team, Head of Internal Audit - Rob Winter and Chair of the Audit Committee, Cllr Richardson. The day helped to further our understanding of the Council and inform our on going audit planning on your key issues.
- A visit to the offices of the predecessor auditor, KPMG in order to review their 2017-18 audit file. We are pleased to inform you that KPMG fully co-operated with us in advance and during our visit and answered all our queries in relation to our review. We are now in a position to rely on KPMG's work carried out in the prior year, that is relevant to our audit work in 2018-19. We can confirm that we have obtained the required assurances on your opening balances position as at 1 April 2018.

We are continuing our risk assessment procedures and intending to issue our 2018-19 Audit Plan early in the New Year and present this at the next Audit Committee on 23 January 2019.

2018-19 Value for Money work

We reported the scope of our Value for Money work during September's Audit Committee. Our risk assessments are continuing in this regard. Value for Money risks for the Council and our planned procedures in response to those risks will be reported to you in our Audit Plan at the January Audit Committee.

Other matters

Meetings

We have agreed quarterly liaison meeting dates throughout 2018-19 with the Chief Executive and the Service Director - Finance. Our next scheduled meeting with the Chief Executive will be held on 27 February 2019. We will be meeting with the Service Director - Finance in early part of January 2019 to finalise our 2018-19 Audit Plan.

We will continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events - Officers

We provide a range of workshops, along with network events. We have invited your key finance staff to our annual accounts workshop which is taking place on 5 February 2019 at our Leeds Office.

Events - Members

We are pleased to announce our plans to hold a Local Authority Audit Committee Chairs and Members event in our Leeds office. Invites for the event will be going out to all members of the Audit Committee before Christmas. The planned date for the event is **Tuesday 26 February**.

The event will be a mixture of presentations and interactive sessions and will conclude with a networking lunch. The content of the event is still being finalised but is expected to include:

- **roles and responsibilities** - of audit committees, external and internal audit
- **effective governance** - including risk management and partnership/contract management
- **accounting issues** - a high level briefing on 2018-19 accounting matters
- **value for money conclusion** - potential areas of focus for external audit, including the impact of other regulatory reports
- **financial resilience** - a topical current issue.

In addition to the workshop, you will have the opportunity to meet and network with audit committee members from across our other Yorkshire authorities.

Audit Deliverables

2018-19 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018-19.	April 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts Audit Plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.	23 January 2019 (tbc)	Not yet due
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	20 March 2019 (tbc)	Not yet due
Audit Findings (ISA260) Report The Audit Findings Report will be reported to the July Audit Committee.	July 2019	Not yet due
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Not yet due
Annual Certification Letter This letter reports any matters arising from our certification work.	December 2019	Not yet due

Sector Update

Local government finances are at a tipping point. Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website

A Caring Society – bringing together innovative thinking, people and practice

The Adult Social Care sector is at a crossroads. We have yet to find a sustainable system of care that is truly fit for purpose and for people. Our Caring Society programme takes a step back and creates a space to think, explore new ideas and draw on the most powerful and fresh influences we can find, as well as accelerate the innovative social care work already taking place.

We are bringing together a community of influencers, academics, investors, private care providers, charities and social housing providers and individuals who are committed to shaping the future of adult social care.

At the heart of the community are adult social care directors and this programme aims to provide them with space to think about, and design, a care system that meets the needs of the 21st Century, taking into account ethics, technology, governance and funding.

We are doing this by:

- hosting a 'scoping sprint' to determine the specific themes we should focus on
- running three sprints focused on the themes affecting the future of care provision
- publishing a series of articles drawing on opinion, innovative best practices and research to stimulate fresh thinking.

Our aim is to reach a consensus, that transcends party politics, about what future care should be for the good of society and for the individual. This will be presented to directors of adult social care in Spring 2019, to decide how to take forward the resulting recommendations and policy changes.

Scoping Sprint

This took place in October. Following opening remarks by Hilary Cottam (social entrepreneur and author of *Radical Help*) and Cllr Georgia Gould (Leader of Camden Council), the subsequent discussion brought many perspectives but there was a strong agreement about the need to do things differently that would create and support a caring society. Grant Thornton will now take forward further discussions around three particular themes:

1. Ethics and philosophy: What is meant by care?
2. Care in a place: Where should the power lie?
3. Promoting and upscaling effective programmes and innovation

Sprint 1 – What do we really mean by 'care'?

This will take place on 4 December. Julia Unwin, Chair of the Civil Societies Futures Project, former CEO of the Joseph Rowntree Association and author on kindness will provide her insight to spark the debate on what we really mean by 'care'

Find out more and get involved

- To read the sprint write-ups and opinion pieces visit:
<https://www.grantthornton.co.uk/en/insights/a-caring-society/>
- Join the conversation at #acaringssociety

How is your authority engaging in the debate about the future of social care?



Care Homes for the Elderly – Where are we now?

It is a pivotal moment for the UK care homes market. In the next few months the government is to reveal the contents of its much-vaunted plans for the long-term funding of care for older people.

Our latest Grant Thornton report draws together the most recent and relevant research, including our own sizeable market knowledge and expertise, to determine where the sector is now and understand where it is heading in the future. We have spoken to investors, providers and market consultants to showcase the diversity and innovation that care homes can offer.

Flourishing communities are not a 'nice to have' but an essential part of our purpose of shaping a vibrant economy. Growth simply cannot happen sustainably if business is disconnected from society. That is why social care needs a positive growth framing. Far from being a burden, the sector employs more people than the NHS, is a crucible for technological innovation, and is a vital connector in community life. We need to think about social care as an asset and invest and nurture it accordingly.

There are opportunities to further invest to create innovative solutions that deliver improved tailored care packages to meet the needs of our ageing population.

The report considers a number of aspects in the social care agenda

- market structure, sustainability, quality and evolution
- future funding changes and the political agenda
- the investment, capital and financing landscape
- new funds and methods of finance
- future outlook.

The decline in the number of public-sector focused care home beds is a trend that looks set to continue in the medium-term. However, it cannot continue indefinitely as Grant Thornton's research points to a significant rise in demand for elderly care beds over the coming decade and beyond.

A strategic approach will also be needed to recruit and retain the large number of workers needed to care for the ageing population in the future. Efforts have already begun through education programmes such as Skills for Care's 'Care Ambassadors' to promote social care as an attractive profession. But with the number of nurses falling across the NHS as well, the Government will need to address the current crisis.

But the most important conversation that needs to be had is with the public around what kind of care services they would like to have and, crucially, how much they would be prepared to pay for them. Most solutions for sustainable funding for social care point towards increased taxation, which will generate significant political and public debate. With Brexit dominating the political agenda, and the government holding a precarious position in Parliament, shorter-term funding interventions by government over the medium-term look more likely than a root-and-branch reform of the current system. The sector, however, needs to know what choices politicians, and society as a whole, are prepared to make in order to plan for the future.

Copies of our report can be requested on our website



Grant Thornton

How effective is the Council's engagement with the social care sector?



In good company: Latest trends in local authority trading companies

Our recent report looks at trends in LATC's (Local Government Authority Trading Companies). These deliver a wide range of services across the country and range from wholly owned companies to joint ventures, all within the public and private sector.

Outsourcing versus local authority trading companies

The rise of trading companies is, in part, due to the decline in popularity of outsourcing. The majority of outsourced contracts operate successfully, and continue to deliver significant savings. But recent high profile failures, problems with inflexible contracts and poor contract management mean that outsourcing has fallen out of favour. The days of large scale outsourcing of council services has gone.

Advantages of local authority trading companies

- Authorities can keep direct control over their providers
- Opportunities for any profits to be returned to the council
- Provides suitable opportunity to change the local authority terms and conditions, particularly with regard to pensions, can also bring significant reductions in the cost base of the service
- Having a separate company allows the authority to move away from the constraints of the councils decision making processes, becoming more agile and responsive to changes in demand or funding
- Wider powers to trade through the Localism act provide the company with the opportunity to win contracts elsewhere

Choosing the right company model

The most common company models adopted by councils are:

Wholly
owned

Joint
Ventures

Social
Enterprise

Wholly owned companies are common because they allow local authorities to retain the risk and reward. And governance is less complicated. Direct labour organisations such as Cormac and Oxford Direct Services have both transferred out in this way.

JVs have become increasingly popular as a means of leveraging growth. Pioneered by Norse, Corserv and Vertas organisations are developing the model. Alternatively, if there is a social motive rather than a profit one, the social enterprise model is the best option, as it can enable access to grant funding to drive growth.

Getting it right through effective governance

While there are pitfalls in establishing these companies, those that have got it right are: seizing the advantages of a more commercial mind-set, generating revenue, driving efficiencies and improving the quality of services. By developing effective governance they can be more flexible and grow business without micromanagement from the council.

LATC's need to adapt for the future

- LATC's must adapt to developments in the external environment
 - These include possible changes to the public procurement rules after Brexit and new local authority structures. Also responding to an increasingly crowded and competitive market where there could be more mergers and insolvencies.
- Authorities need to be open to different ways of doing things, driving further developments of new trading companies. Relieving pressures on councils to find the most efficient ways of doing more with less in today's austere climate.

Overall, joint ventures can be a viable alternative delivery model for local authorities. Our research indicates that the numbers of joint ventures will continue to rise, and in particular we expect to see others follow examples of successful public-public partnerships.



[Download the report here](#)

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BARNLEY MBC AUDIT COMMITTEE – INDICATIVE WORK PROGRAMME

	Mtg. No.	5	6	7	8	1	2	3	4
Committee Work Area	Contact / Author	5.12.18	16.01.19	20.03.19	17.04.19	5.06.19	19.07.19 (2.00 pm)	18.09.19	30.10.19 (2.00 pm)
Committee Arrangements									Workshop
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								
Training Review and Skills Assessment	RW/CHAIR								
Review of Terms of Reference & Working Arrangements	ACF		X						
Draft Audit Committee Annual Report	RW/CHAIR	X				X			
Audit Committee Annual Report	RW/CHAIR		X						
Internal Control and Governance Environment									
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 (moved from 5/12/18)						

	Mtg. No.	5	6	7	8	1	2	3	4
Committee Work Area	Contact / Author	5.12.18	16.01.19	20.03.19	17.04.19	5.06.19	19.07.19 (2.00 pm)	18.09.19	30.10.19 (2.00 pm)
Annual Fraud Report	RW					X			
Corporate Fraud Team - Report	RW		X		X				
Corporate Risk Management									
Risk Management Policy & Strategy	AH				X				
Risk Management Update*	AH		X						
Risk Management Framework		X							
Annual Report	AH							X	
Strategic Risk Register Review	AH	X			X				
Internal Audit									
Internal Audit Charter	RW		X			X			
Internal Audit Plan	RW			X					
Internal Audit Quarterly Report	RW	X	X		X		X		
Annual Review of the Effectiveness of Internal Audit	RW	X							
Internal Audit Annual Report	RW					X			
External Audit (Grant Thornton)									
Annual Governance Report (ISA260 Report)	GT						X		
Audit Plan	GT			X					
Annual Fees Letter	GT			X				X	
Claims & Returns Annual Report	GT		X						

	Mtg. No.	5	6	7	8	1	2	3	4
Committee Work Area	Contact / Author	5.12.18	16.01.19	20.03.19	17.04.19	5.06.19	19.07.19 (2.00 pm)	18.09.19	30.10.19 (2.00 pm)
External Audit Progress report & Technical Update	GT	X	X	X	X	X	X	X	
Financial Reporting and Accounts									
Budget Proposal Section 25 Report	NC			X					
Draft Statement of Accounts	NC								
Corporate Finance Summary	NC							X	
Corporate Finance and Performance Management & Capital Programme Update	NC			X				X	
Treasury Management Annual Report	IR						X		
Treasury Management Progress Report	IR/SW	X							
Treasury Mgt. Policy & Strategy Statement	IR			X					
Other Corporate Functions contributing to overall assurance									
Human Resources (annual)	AB							X	
Business Improvement and Communication (annual)	MP						X		
Health & Safety Resilience (6 monthly report – March Update – September Annual)	SD			X				X	
Governance & Member	IT/WW					X			

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support (annual)									
Information Governance update	DR	X		X		X		X	
General Data Protection Regulations - Update	RW/SH					X			

*Members of the Senior Management Team to be invited periodically to report on any issues identified within the Strategic Risk Register