



**Notice of meeting of a public meeting of the  
Audit & Governance Committee**

<b>To:</b>	Councillors Cunningham-Cross (Chair), Barnes, Brooks (Vice-Chair), Burton, Cuthbertson, Steward and Watson
<b>Date:</b>	Tuesday, 19 March 2013
<b>Time:</b>	5.00 pm
<b>Venue:</b>	The Guildhall, York

**AGENDA**

**1. Declarations of Interest**

At this point, Members are asked to declare:

- Any personal interests not included on the Register of Interests
- Any prejudicial interests or
- Any disclosable pecuniary interests

which they may have in respect of business on this agenda.

**2. Minutes (Pages 3 - 10)**

To approve and sign the minutes of the meeting of the Audit and Governance Committee held on 13 February 2013.

**3. Public Participation**

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the committee's remit can do so. The deadline for registering is **5.00pm on Monday 18 March 2013**.

**4. Audit and Governance Committee Forward Plan to December 2013** (Pages 11 - 16)

This paper presents the future plan of reports expected to be presented to the committee during the forthcoming year to December 2013.

**5. Annual Report of the Audit and Governance Committee** (Pages 17 - 28)

This report seeks Members' views on the draft annual report of the Audit and Governance Committee for the period ended 28 February 2013, prior to its submission to Full Council.

**6. Verbal Update on Governance Issues**

Members are asked to consider ways in which the Committee can ensure that governance issues are given appropriate attention and are incorporated into the Committee's work plan.

**7. Audit and Governance Committee Effectiveness - Action Plan** (Pages 29 - 52)

The purpose of this report is to provide details of the action plan which has been prepared following the review of the committee's own effectiveness.

**8. Restricted Customer Contact Arrangements** (Pages 53 - 60)

This report seeks Members' views on formalising arrangements for restricting certain customer contacts. The proposed arrangements specify when it might be appropriate to restrict customer contact and set out what steps might be taken.

**9. Constitutional Changes relating to Public Health** (Pages 61 - 70)

This report recommends certain constitutional changes arising from the council assuming public health responsibilities from 1 April.

**10. Key Corporate Risk Monitor 4** (Pages 71 - 102)

This report provides an update on the council's key corporate risks and highlights emerging risk issues with a view to Members considering any further information they would wish to receive on these matters.

## 11. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

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For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
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If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

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interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

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### **Holding the Cabinet to Account**

The majority of councillors are not appointed to the Cabinet (39 out of 47). Any 3 non-Cabinet councillors can 'call-in' an item of business following a Cabinet meeting or publication of a Cabinet Member decision. A specially convened Corporate and Scrutiny Management Committee (CSMC) will then make its recommendations to the next scheduled Cabinet meeting, where a final decision on the 'called-in' business will be made.

### **Scrutiny Committees**

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

### **Who Gets Agenda and Reports for our Meetings?**

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City of York Council

Committee Minutes

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MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE	13 FEBRUARY 2013
PRESENT	COUNCILLORS BARNES, BROOKS (VICE-CHAIR) -ITEM 39 ONWARDS, BURTON, CUTHBERTSON, STEWART, WATSON AND HODGSON (SUBSTITUTE FOR COUNCILLOR CUNNINGHAM- CROSS)
APOLOGIES	COUNCILLOR CUNNINGHAM-CROSS

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**36. APPOINTMENT OF CHAIR**

RESOLVED: That Councillor Cuthbertson be appointed as Chair of the meeting.

**37. DECLARATIONS OF INTEREST**

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on this agenda. None were declared.

**38. MINUTES**

RESOLVED: That the minutes of the meeting of 12 December 2012 be approved and signed by the Chair as a correct record.

**39. PUBLIC PARTICIPATION**

There had been one registration to speak under the Council's Public Participation Scheme. Gwen Swinburn stated that she had been seeking opportunities to raise issues in respect of the governance of the city. She requested that the committee gave due consideration to the governance agenda as well as meeting its responsibilities in respect of audit. She stated that she would welcome a review of governance. Citizens wanted to engage and be more involved and would welcome increased transparency in decision making. She requested that the committee considered looking at governance in a constructive way.

The Chair stated that the committee had already started to review its role and terms of reference as part of a self-evaluation process. The issues raised by the speaker would be discussed with the Chair and Vice-Chair of the committee and the Monitoring Officer. If appropriate, an item could be included on the agenda for the next meeting so that the committee's role in terms of governance could be given further consideration. It was also agreed that clarification would be sought as to the role of the scrutiny committees in monitoring governance. If necessary, discussions would be held with the Chair of the Corporate and Scrutiny Committee to ascertain whether it would be appropriate for a scrutiny review to be carried out around the issues raised.

**40. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:** That the press and public be excluded from the meeting during consideration of Annex 1 to agenda item 10 on the grounds that it contains information relating to prevention, prosecution or investigation of crime. This information is classed as exempt under paragraph 7 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by the Local Government (Access to Information) (Variation) Order 2006).

**41. AUDIT AND GOVERNANCE COMMITTEE FORWARD PLAN TO DECEMBER 2013**

Consideration was given to a paper which presented the future plan of reports expected to be presented to the Committee during the forthcoming year to December 2013.

Members requested that the wording of the item on email policy, which was due to be considered at the meeting on 19 March, be reworded as the phrasing used may be misleading to members of the public.

**RESOLVED:** That the Committee's Forward Plan for the period up to December 2013 be noted.

**REASON:** To ensure the Committee receives regular reports in accordance with the functions of an



effective audit committee and can seek assurances on any aspect of the council's internal control environment.

**42. REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT**

Members considered a report that sought their approval for the arrangements for the review of the effectiveness of internal audit.

Members noted that it was proposed to undertake the review jointly with North Yorkshire County Council through the Shared Service Contract Board (SSCB) and in consultation with the respective audit committee Chairs.

**RESOLVED:** That the proposed arrangements for undertaking the review of internal audit effectiveness, as detailed in the report, be approved.

**REASON:** To enable Members to consider the adequacy and effectiveness of the council's internal audit arrangements.

**43. SCRUTINY OF THE TREASURY MANAGEMENT MONITOR 3 REPORT 2012/13 AND REVIEW OF PRUDENTIAL INDICATORS**

Members considered a report that provided an update on treasury management activity for the first nine months of 2012/13.

Officers went through the report and responded to Members' questions. Discussion took place regarding Prudential Indicator 6 – authorised borrowing and operational boundary, including how the Capital Financing Requirement was formed and how this related to external borrowing.

Consideration was given to the committee's training requirements in respect of treasury management. It was noted that a full day's training session for the Audit and Governance Committees of client councils had been provisionally arranged for 18 June 2013. This would be a CIPFA course covering the general responsibilities of audit and governance committees. As the topics that would be covered had not yet been finalised,

a session on the Local Government Pension Scheme could be incorporated into the programme. Members agreed that it would also be useful to receive training on treasury management issues that were specific to City of York Council and hence it would be more appropriate for this topic to be covered at a separate training session held prior to the committee's next meeting.

Members were sorry to note that Louise Branford-White would be leaving the council to take up a new appointment. They paid tribute to the work that she had carried out and thanked her for the excellent support that she had provided to the committee.

- RESOLVED:
- (a) That the report be noted.
  - (b) That the committee meeting on 17 April 2013 commence at 5.30pm rather than 5.00pm to enable a training session on treasury management to be held at 5.00pm.

REASON: In order that those responsible for scrutiny and governance arrangements are updated on a regular basis to ensure that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

**44. SCRUTINY OF THE TREASURY MANAGEMENT STRATEGY STATEMENT AND PRUDENTIAL INDICATORS**

Members considered a report that provided an update on the Treasury Management Strategy Statement and Prudential Indicators 2013/14 to 2017/18.

Members' attention was drawn to paragraph 4 of the report which detailed the key issues.

Officers responded to Members' questions. Discussion took place regarding the situation in respect of the Club Loan. Officers agreed to provide details as to the start and end date of the loan following the meeting<sup>1</sup>.

RESOLVED: That the Treasury Management Strategy Statement and Prudential Indicators for 2013/14 to 2017/18, as detailed in Appendix A of the report, be noted.

REASON: To ensure that those responsible for scrutiny and governance arrangements are updated on a regular basis to ensure that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

Action Required

1. Provide information on Club Loan

RB

**45. PROGRESS REPORT ON 2012/13 AUDIT REPORT**

Members considered a report that provided an update from Mazars on their progress in delivering their responsibilities as the council's auditors.

RESOLVED: That the report be noted.

REASON: To ensure that Members are aware of Mazar's progress in delivering their responsibilities as external auditors.

**46. FRAUD RISK ASSESSMENT**

Members considered a report on the potential fraud risks to which the council is exposed and the proposed counter fraud activity to address those risks.

At the request of Members, officers outlined the measures that were in place to address risks associated with the following issues:

- Use of council vehicles
- Creditor payments
- Cancellation of debts
- Use of internet and email
- Social care payments and arrangements to protect vulnerable clients

- Protection of council assets during the process of relocating to West Offices

Members noted the areas that had been identified for further development, as outlined in paragraph 5 of the report.

**RESOLVED:** That the fraud risk assessment set out in Annex 1 of the report and the proposed priorities for counter fraud work set out in the Annex and at paragraph 5 of the report be agreed.

**REASON:** To ensure that scarce audit and counter fraud resources are used effectively.

#### **47. INTERNAL AUDIT PLAN CONSULTATION**

Members considered a report that sought their views on the priorities for internal audit for 2013/14, to inform the preparation of the annual audit plan.

Attention was given to the priorities for audit for 2013/14, as outlined in paragraph 4 of the report. Members expressed their support for the identified priorities but suggested that the impact of the office moves should also take into account issues such as the possibility of mail continuing to be inadvertently delivered to disused premises. It was also suggested that the scope of the work in respect of public health may need to be more clearly targeted.

**RESOLVED:** That the proposed approach to internal audit planning for 2013/14, as outlined in the report, be agreed.

**REASON:** To ensure that scarce audit resources are used effectively.

#### **48. URGENT BUSINESS - PUBLIC PARTICIPATION**

Referring to agenda item 3 - Public Participation (minute 39 refers) a Member expressed concern that discussion had taken place with the registered speaker following her statement, as this was not in accordance with the Public Participation

Scheme. The Chair stated that he believed that it had been appropriate to inform the speaker that the points she had raised would be considered. Other Members supported this view and stated that they welcomed the fact that the public wished to engage in governance issues.

Chair

[The meeting started at 5.20 pm and finished at 7.00 pm].

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**Audit and Governance Committee**

19 March 2013

Report of the Director of CBSS

**Audit & Governance Committee Forward Plan to December 2013****Summary**

1. This paper presents the future plan of reports expected to be presented to the Committee during the forthcoming year to December 2013.

**Background**

2. There are to be six fixed meetings of the Committee in a municipal year. To assist members in their work, attached as an Annex is the indicative rolling Forward Plan for meetings to December. This may be subject to change depending on key internal control and governance developments at the time. A rolling Forward Plan of the Committee will be reported at every meeting reflecting any known changes.
3. There has been one amendment made to the forward plan since the previous version was presented to this Committee in February 2013.
4. A number of external audit reports Mazars intend to bring to the Committee for the rest of the year have been added to the forward plan including the 2012/13 external audit plan in April, a progress report in July, the Annual Governance report and Annual Audit Letter in September and a grants claim report in December.
5. The Annual report of the Audit & Governance Committee has been brought forward from April to the March meeting.

**Consultation**

6. The Forward Plan is subject to discussion by members at each meeting, has been discussed with the Chair of the Committee and key corporate officers.

### **Options**

7. Not relevant for the purpose of the report.

### **Analysis**

8. Not relevant for the purpose of the report.

### **Council Plan**

9. This report contributes to the overall effectiveness of the council's governance and assurance arrangements contributing to an 'Effective Organisation'.

### **Implications**

10.
  - (a)**Financial** - There are no implications
  - (b)**Human Resources (HR)** - There are no implications
  - (c)**Equalities** - There are no implications
  - (d)**Legal** - There are no implications
  - (e)**Crime and Disorder** - There are no implications
  - (f) **Information Technology (IT)** - There are no implications
  - (g)**Property** - There are no implications

### **Risk Management**

11. By not complying with the requirements of this report, the council will fail to have in place adequate scrutiny of its internal control environment and governance arrangements, and it will also fail to properly comply with legislative and best practice requirements.

### **Recommendations**

12.
  - (a) The Committee's Forward Plan for the period up to December 2013 be noted.



Reason

*To ensure the Committee receives regular reports in accordance with the functions of an effective audit committee.*

- (b) Members identify any further items they wish to add to the Forward Plan.

Reason

*To ensure the Committee can seek assurances on any aspect of the council's internal control environment in accordance with its roles and responsibilities.*

**Contact Details**

**Author:**

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Support Services  
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**Chief Officer Responsible for the report:**

Ian Floyd  
Director of CBSS  
Telephone: 01904 551100

**Report  
Approved**



**Date** 19/03/2013

**Specialist Implications Officers**

Head of Civic, Democratic & Legal Services

**Wards Affected:** Not applicable

**All**

**For further information please contact the author of the report**

**Background Papers:**

None

**Annex**

Audit & Governance Committee Forward Plan to December 2013

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## **Audit & Governance Committee Draft Forward Plan to December 2013**

Training/briefing events will be held at appropriate points in the year to support members in their role on the Committee.

- **Committee 17 April 2013**

Approval of Internal Audit Plan & Review of Terms of reference

Internal Audit & Fraud Plan Progress Report

Follow up of Audit Recommendations

Information Governance Annual Report

Mazars External Audit Plan 2012/13

*Changes to the Constitution (if any)*

- **Committee June 2013 (Date TBC)**

Review of effectiveness of Internal Audit

Annual Report of the Head of Internal Audit

Draft Annual Governance Statement

*Changes to the Constitution (if any)*

- **Committee July 2013 (Date TBC)**

Draft Statement of Accounts 2012/13

Scrutiny of the Treasury Management Annual Report 2012/13 and review of prudential indicators

Key Corporate Risk Monitor Quarter 1 (Including directorate risks)

Report to update on the Progress of Direct Payments

Mazars Progress Report

*Changes to the Constitution (if any)*

- **Committee September 2013 (Date TBC)**

Final Statement of Accounts 2012/13

Mazars Annual Governance Report 2012/13

Mazars Draft Annual Audit Letter 2012/13

Corporate Risk Monitor Quarter 2 (Including directorate risks)

Follow up of Internal & External Audit Recommendations

Internal Audit & Fraud Plan Progress Report

*Changes to the Constitution (if any)*

- **Committee December 2013 (Date TBC)**

Key Corporate Risk Monitor Quarter 3 (Including directorate risks)

Annual Audit Letter – Mazaars

Mazars Grant Claims report

2013/14 Review of the effectiveness of Internal Audit

Internal Audit & Fraud Plan Progress Report

Scrutiny of the Treasury Management Monitor 2 Report 2013/14  
and Review of Prudential Indicators

*Changes to the Constitution (if any)*



**Audit and Governance Committee**

19 March 2013

**Report of the Chair of the Audit Committee**

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**Annual Report of the Audit and Governance Committee**

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### **Summary**

- 1 This report seeks Members' views on the draft annual report of the Audit and Governance Committee for the period ended 28<sup>th</sup> February 2013, prior to its submission to Full Council.
- 2 This report covers an extended period from October 2011 to February 2013 so includes an additional 2 meetings of the Committee. The preparation of this report was delayed from September due to the appointment of a new Chair of the Committee in June 2012 to allow sufficient time for the Chair to be able to provide adequate assurance on the work of the Audit and Governance Committee.

### **Background**

- 3 The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance to local authorities to help ensure that audit committees operate effectively. The guidance recommends that audit committees should report annually on how they have discharged their responsibilities.

### **Annual Report of the Audit and Governance Committee**

- 4 A copy of the draft annual report of the Committee is attached at Appendix 1. A copy of the Committee's terms of reference, as set out in Section 8, Part 3C of the Constitution is also attached to the report at Appendix 2, for information.

## **Options**

- 5 This report sets out the proposed wording of the Committee's Annual Report. Members are asked to suggest alternative wording if necessary.

## **Analysis**

- 6 Not relevant for the purpose of the report.

## **Corporate Priorities**

- 7 This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything we do.

## **Implications**

- 8 The implications are:
- **Financial** – none
  - **Human Resources (HR)** – there are no HR implications to this report.
  - **Equalities** – there are no equalities implications to this report.
  - **Legal** – there are no legal implications to this report.
  - **Crime and Disorder** – there are no crime and disorder implications to this report.
  - **Information Technology (IT)** – there are no IT implications to this report.
  - **Property** – there are no property implications to this report.

## **Risk Management**

- 9 Assurance in respect of the council's arrangements for managing risk, the maintenance of effective controls including those designed to prevent and detect fraud, and compliance with relevant legislation, may not be provided if the Audit and Governance Committee does not produce an annual report.

## Recommendations

10 Members are asked to:

- Consider and comment on the Annual Report of the Audit and Governance Committee prior to its submission to Full Council.

### Reason

*To enable the Committee to fulfil its role in providing assurance about the adequacy of the council's internal control environment and arrangements for managing risk and for reporting on financial and other performance.*

## Contact Details

### Author:

Emma Audrain  
Trainee Cipfa Accountant  
01904 551170

### Chief Officer Responsible for the report:

Ian Floyd  
Director Customer & Business Support Services  
Telephone: 01904 551100

Report  
Approved



Date 19/03/13

### Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

### Background Papers:

- CIPFA 'A Toolkit for Local Authority Audit Committees'
- International Standard for Auditing 240 Fraud
- International Standard for Auditing 250 Laws and Regulations

**Appendix 1 – Draft Annual Report**

**Appendix 2 – Audit & Governance Committee's Terms of Reference**

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## **PURPOSE OF THE REPORT**

To provide Members of the council with details of the work of the Audit and Governance Committee covering the period to 28<sup>th</sup> February 2013. The report also details how the Audit and Governance Committee has fulfilled its terms of reference.

## **BACKGROUND**

The Audit and Governance Committee is responsible for overseeing the council's corporate governance, audit and risk management arrangements. The Committee is also responsible for approving the Statement of Accounts and the Annual Governance Statement. The functions of the Audit and Governance Committee are set out in Section 8, Part 3C of the Constitution. A copy of the list of the Committee's responsibilities is attached at **Appendix 2** for information.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance to local authorities to help ensure that audit committees are operating effectively. The guidance recommends that audit committees should report annually on how they have discharged their responsibilities.

## **WORK UNDERTAKEN**

The Audit and Governance Committee has met on eight occasions in the period to 28<sup>th</sup> February 2013. During this period, the Committee has assessed the adequacy and effectiveness of the council's risk management arrangements, control environment and associated counter fraud arrangements through regular reports from officers, internal audit and the external auditors, The Audit Commission (now Mazars). The Committee has sought assurance that action has been taken, or is otherwise planned, by management to address any risk related issues that have been identified by auditors or inspectors during this period. The Committee has also sought to ensure effective relationships exist between internal and external auditors, inspection agencies and other relevant bodies.

The specific work undertaken by the Committee is set out below. The Committee has:

1. Assessed the adequacy and effectiveness of the Council's risk management arrangements through consideration of the progress made by officers to address the Key Corporate Risks (KCRs). Details of the KCR's were reported to the Committee on a quarterly basis. Each quarter the report has focused on a specific directorate and the relevant director for each area has been present at the meeting to provide assurance by providing further information to members at the meeting.
2. Received and considered the results of the annual review of the effectiveness of internal audit. The outcome of this review informed the preparation of the Annual Governance Statement.
3. Received and considered the results of internal audit work completed during the period and monitored the progress made by management to address identified control weaknesses. The Committee considered breaches of the Council's Financial Regulations and contract procedure rules identified during audit work.
4. Received, considered and approved the Internal Audit and Counter Fraud plan along with updates on the progress throughout the year.
5. Requested and received an additional update in the year to provide assurance that adequate progress had been made to date to implement actions agreed following an audit of personalisation and direct payments.
6. Considered a report which informed them about potential fraud risks facing the Council and potential counter fraud activity to address those risks. The Committee also noted the outcome of a review of the Council's counter fraud policies.
7. Considered the Annual Report of the Head of Internal Audit which provided an overall opinion on the Council's control environment. The Head of Internal Audit confirmed that the council's internal controls provided substantial assurance although the Committee's attention was drawn to a number of significant control weaknesses. Again this informed the conclusions reported within the Annual Governance Statement for 2011/12.
8. Considered and approved the Annual Governance Statement, noting that action plans would be put in place to address each of the significant governance issues identified in section 5.

9. Initially considered a Grant and then approved the final Statement of Accounts for 2011/12.
10. Continued the role of scrutinising the Council's treasury management strategy and policies. The Committee received and considered the Treasury Management Annual Report and review of Prudential Indicators which compared actual performance against the budget and the treasury management strategy for the year.
11. Received and considered the Audit Commission's plan for the audit of the financial statements and value for money opinion, the certification of grant claims together with the associated fee for undertaking this work. A progress report was also received and considered during the year.
12. Received and considered the Annual Audit Letter of the Council's District Auditor. Members noted details of strengths and improvements identified by the Audit Commission and any areas which required review.
13. Considered the outcome of the Audit Commission's review of the Council's grant claim arrangements for the 2010/11 financial year. The Committee noted a constructive report which reflected the hard work of the financial services team in implementing previous recommendations.
14. Received regular updates on national reports produced by the Audit Commission
15. Set up a Committee working group to review the Committee's own effectiveness. The working group then reported back to the Committee during the year.
16. Considered a report which informed members about the Information Governance Strategy developed by the Council's Information Governance Group (CIGG) and the proposed actions to strengthen information governance arrangements.
17. Considered a report which shared the latest draft of a revised whistle blowing policy and procedures for the Council.
18. Considered a number of proposed changes to the Council's Constitution, and recommended their adoption by Full Council. This included a merger of the Scrutiny Management Committee with Effective Organisation Overview and Scrutiny Committee; the

abolishment of Cabinet working groups; establishment of a Corporate Parenting board and removing certain internal protocols.

19. At each meeting the Committee has maintained a rolling Forward Plan for a number of meetings in advance, to ensure that its responsibilities are discharged in full and appropriate reports are brought by officers on a timely basis.

Cllr Linsay Cunningham-Cross  
Chair of the Audit & Governance Committee

**Appendix 2**

## Part 3 C of the Constitution (Council Committees and Other Bodies)

## 8.1 The functions of the Audit &amp; Governance Committee are:

<b>No.</b>	<b>Delegated authority</b>	<b>Conditions</b>
	<b>Audit</b>	
1	To consider the annual report and opinion of the Head of Internal Audit including a summary of internal and external audit activity (actual and proposed in the relevant accounting period) and the level of assurance that can be given over the corporate governance arrangements at the Council and to advise the Executive accordingly.	
2	To consider summaries of specific internal audits reports as scheduled in the forward plan for the Committee or otherwise requested by Members.	
3	To consider reports dealing with the management and performance of the Internal and External Audit functions.	
4	To consider reports from Internal Audit on agreed recommendations not implemented within agreed timescales.	
5	To consider the action plan arising from the Annual Letter of the External Auditor.	With respect to the Annual Letter being first considered and accepted by the Executive.
6	To consider all other relevant reports from the District Auditor as scheduled in the forward plan for the Committee as agreed with the External Auditor or otherwise requested by Members.	

<b>No.</b>	<b>Delegated authority</b>	<b>Conditions</b>
7	To comment on the scope and depth of External Audit work and ensure it provides value for money.	
8	To liaise with the Audit Commission over the appointment of the Council's External Audit body.	
9	To approve the Annual Plans of the Internal Audit Service and the External Auditor.	
10	To commission work from the Internal Audit Service and External Audit with regard to the resources available and the existing scope and breadth of their respective work programmes and the forward plan for the Committee.	Subject to budgetary provision
11	To provide advice to the Council on issues arising out of a fraud investigation and report any action which has or ought to be taken by the Council.	
<b>Governance &amp; Regulatory</b>		
12	To keep under review the Council's contract procedure rules, financial regulations, working protocols and codes of conduct and behaviour (not otherwise reserved to the Standards Committee).	
13	To review any relevant issue referred to it by the Chief Executive, S151 Officer, the Monitoring Officer or any other Council body.	
14	To consider any reports of the Director of Customer & Business Support Services referred to the Committee for consideration further to Article 13 of this Constitution.	
15	To monitor the effective development and operation of risk management and corporate governance across the Council.	
16	To monitor Council policies on 'whistle blowing', the Anti-Fraud & Corruption Strategy and consider any issues referred	

<b>No.</b>	<b>Delegated authority</b>	<b>Conditions</b>
	to it in accordance with the Council's whistle blowing policy and procedures as set out in Part 5 of this Constitution.	
17	To consider the Council's arrangements for corporate governance and make recommendations about all actions necessary for compliance with best practice to Full Council.	
18	To consider the Council's compliance with its own and other relevant published regulations, controls, operational standards and codes of practice.	
19	To bring to Full Council all proposals for amendment to this Constitution submitted by Members in accordance with this Constitution.	Subject to the advice of the Assistant Director of Governance and ICT.
	<b>Annual Governance Statement and Accounts etc</b>	
20	To approve the Statement of Accounts and the Annual Governance Statement.	
21	To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.	
22	To scrutinise the Treasury Management Strategy and Monitoring Reports.	

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**Audit and Governance Committee**

19 March 2013

Report of the Head of Internal Audit

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**Audit and Governance Committee Effectiveness – Action Plan**

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**Summary**

- 1 The purpose of this report is to provide details of the action plan which has been prepared following the review of the committee's own effectiveness.

**Background**

- 2 The committee established a task group to undertake a review of its own effectiveness. The task group reported its findings to the meeting on 12 December 2012 and concluded that the committee fulfilled its responsibilities and complied with best practice in many areas. However, a number of areas were identified where it was felt that the committee's own effectiveness could be improved or other changes made to support the functioning of the committee. The recommendations of the task group were approved subject to:
  - the inclusion of an additional column to show the person responsible for delivering the proposed action;
  - the appointment of an independent member to the committee being designated as a priority, as this was a longstanding aim;
  - the committee's terms of reference being reviewed on an annual basis rather than every three years; and
  - consideration being given as to how to raise the public's awareness of the work of the committee.

### **Updated Action Plan**

- 3 The recommendations of the task group have been translated into an action plan, which is attached as annex 1. Each action has been assigned a named officer who will take responsibility for implementation. It is proposed that further reports are presented to the committee to enable progress against the action plan to be monitored.
- 4 The action plan includes a requirement to undertake a training needs assessment and to prepare a training programme. A survey of committee members has recently been completed. Each member was asked to judge their knowledge and understanding of each subject area. The results have been summarised and the details are shown at annex 2 for information. The results will now be used to inform the planned training day on 18 June 2013. Future training will also be prioritised in line with this information.

### **Council Plan**

- 5 The Audit and Governance Committee forms an important component of the council's corporate governance framework. As such it supports the overall aims and priorities of the council by promoting probity, integrity and honesty and by helping to make the council a more effective organisation.

### **Implications**

- 6 There are no implications to this report in relation to:
  - **Finance**
  - **Human Resources (HR)**
  - **Equalities**
  - **Legal**
  - **Crime and Disorder**
  - **Information Technology (IT)**
  - **Property**

## Risk Management Assessment

- 7 The Committee may fail to fully and properly discharge its responsibilities if it fails to function effectively.

## Recommendations

- 8 Members are asked to consider the action plan (attached at annex 1).

### Reason

*To ensure that the Audit and Governance Committee remains effective.*

## Contact Details

### Author:

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Veritau Limited  
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552940

### Chief Officer Responsible for the report:

Ian Floyd  
Director of Customer & Business  
Support Services  
Telephone: 01904 551100

Report  
Approved



Date 5 March 2013

## Specialist Implications Officers

Not applicable

## Wards Affected:

All



**For further information please contact the author of the report**

## Background Papers

None

## Annexes

Annex 1 – Action Plan arising from the recommendations of the A&G Committee Task Group

Annex 2 – Training needs assessment - summary of questionnaire responses.

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## Audit & Governance Committee's Effectiveness Task Group – Action Plan

Details of the action(s) taken or proposed are shown for each issue.

Ref	Issue	Action Taken or Proposed	Target Date	Owner
1	The Audit and Governance Committee's existing terms of reference need to be revised in order to comply with CIPFA recommended best practice. Revised terms of reference were considered by the Committee at their meeting on 2 April 2012 but they were not approved.	Revised terms of reference for the Committee will be presented to the meeting on 17 April 2013, prior to submission to Full Council on 18 July 2013 for approval	July 2013	Assistant Director Governance & ICT (Andrew Docherty)
2	The Council has approved the Audit and Governance Committee's terms of reference. However, the terms of reference are not formally reviewed and updated on a regular basis.	The Committee's terms of reference will be reviewed annually. Any changes to be submitted to Full Council for approval.	April 2013 and ongoing.	Assistant Director Governance & ICT (Andrew Docherty)
3	The Audit and Governance Committee could benefit by extending its membership to include co-opted Members with relevant technical expertise and/or a thorough knowledge of corporate governance. This has been a longstanding recommendation of the committee.  Some concerns were expressed regarding the need to ensure that Members are free to act independently and that influence is not placed on them	A report will be presented to the Audit and Governance Committee on 17 April 2013 setting out the arrangements for appointing co-opted Members to the Committee. The objective will be to adopt a process which will enable the Committee to appoint up to two independent co-opted Members.	April 2013	Assistant Director Governance & ICT (Andrew Docherty)
		Adverts seeking expressions of interest from potential members of the public will be placed in April with a deadline for	June 2013	Head of Internal Audit (Max Thomas)

Ref	Issue	Action Taken or Proposed	Target Date	Owner
	to adopt a party line. The appointment of independent co-opted Member(s) may help to address this issue.	<p>responses of 30 April 2013. A panel comprising the chair, vice-chair and two officers will then shortlist and interview prospective members and make a recommendation to the Committee. The objective will be to confirm the appointments at the June meeting of the Committee.</p> <p>The requirement for members of the Committee to act independently will be covered at the training event being organised on 18 June 2013. It will also be included in future training provided to the Committee.</p>		
4	<p>The role and work of the Audit and Governance Committee is not given sufficient priority and recognition by Full Council.</p> <p>The Audit and Governance Committee should work more closely with the Corporate and Scrutiny Management Committee and the Joint Standards Committee.</p>	The Assistant Director Governance & ICT is investigating whether the current arrangements can be adapted to enable the Committee to coordinate its work more closely with the CSMC and the Joint Standards Committee (for example, by arranging for the Chairs and Vice-Chairs of these committees to meet on a periodic basis).	April 2013	Assistant Director Governance & ICT (Andrew Docherty)
5	Some concerns were expressed as to the committee's responsibilities for ensuring that the council's scrutiny arrangements are working effectively. It was noted that, if the committee identified any weaknesses in this area,	The Assistant Director Governance & ICT will present a report to the April meeting of the Committee explaining the current scrutiny arrangements so as to enable the Committee to properly consider the effectiveness of the	April 2013	Assistant Director Governance & ICT (Andrew Docherty)

Ref	Issue	Action Taken or Proposed	Target Date	Owner
	they should report this in the Annual Governance Statement.	council's arrangements and the overall governance around scrutiny.		
6	It is over a year ago since the Audit and Governance Committee reported on its work and performance to Full Council.	The draft annual report is presented as a separate item on this agenda, prior to submission to Full Council.	April 2013	Chair of the Audit & Governance Committee
7	New Committee members are provided with training but more could be done to ensure that Members have the appropriate skills and knowledge to discharge their responsibilities effectively.	The terms of reference for the Committee (see item 1 above) will include a requirement that induction and annual update training will be compulsory for all members of the Committee (including substitutes).	April 2013	Assistant Director Governance & ICT (Andrew Docherty)
		The training needs assessment has been completed. The results of the survey are shown at annex 2 and will be used to inform the planned training day on 18 June 2013.	Completed	Head of Internal Audit (Max Thomas)
		A training event for audit committee members is being organised for 18 June 2013. The training will take place at West Offices and will cover: <ul style="list-style-type: none"> <li>• working with internal and external auditors</li> <li>• Public Sector Internal Audit Standards (PSIAS)</li> <li>• corporate governance &amp; Annual Governance Statements</li> <li>• strategic risk management</li> </ul>	June 2012	Head of Internal Audit (Max Thomas)

Ref	Issue	Action Taken or Proposed	Target Date	Owner
		<ul style="list-style-type: none"> <li>• value for money</li> <li>• counter fraud</li> <li>• reviewing the financial statements</li> <li>• treasury management scrutiny</li> <li>• pension fund governance</li> </ul> <p>A programme of ongoing training for Members of the Committee will also be prepared.</p>		
8	<p>The Council's S151 officer regularly attends meetings of the Committee. The Committee also receives ongoing support from other officers. The Committee previously had a named officer who provided dedicated support and attended all meetings and Chair's briefings. This provided continuity. However, the post was deleted earlier in 2012 as part of the council's restructure.</p>	<p>The Director of Customer and Business Support is considering how the Audit and Governance Committee should best be supported in the future.</p>	April 2012	<p>The Director of Customer and Business Support (Ian Floyd)</p>
9	<p>The Audit and Governance Committee now considers the draft Annual Governance Statement (AGS) in June. The AGS is then presented again as part of the accounts in July and September. In previous years, there has occasionally been a debate around particular sentences within the AGS. When this has occurred, there has then been insufficient time to consider and</p>	<p>The Committee will be reminded to raise issues with the wording and content of the 2012/13 AGS at the earliest opportunity.</p>	June 2013	<p>The Director of Customer and Business Support (Ian Floyd)</p>



Ref	Issue	Action Taken or Proposed	Target Date	Owner
	<p>make the necessary changes. The Committee therefore recognises that there is a need to raise any issues with the wording and contents of the AGS at an early stage. The new reporting timetable for the annual statement of accounts should reduce the likelihood of these problems occurring in the future.</p>			
10	<p>Risk management reports are presented regularly to the Audit and Governance Committee but they focus on specific service areas and/or projects. Whilst it is acknowledged that the full risk report is e-mailed to Members separately from the agenda papers, it was felt that more could be done to ensure that Members are made aware of the council's strategic risks and the overall risk management arrangements.</p> <p>The Chair also gave an update on the recommendation by external audit that risk might be approached in a different way. This could include a specific member-led session to identify and review key risks.</p>	<p>The Committee to be given the opportunity to feed into the review of risk management arrangements currently being undertaken by Zurich Municipal.</p>	April 2013	Head of Financial Procedures (David Walker)
		<p>A risk identification session will be held with the Committee to enable Members to identify and comment on key corporate risks.</p>	July 2013	Head of Financial Procedures (David Walker)
		<p>Members to be given more information about scoring systems and how the council's risks are identified and evaluated.</p>	July 2013	Head of Financial Procedures (David Walker)
11	<p>The Audit and Governance Committee considers the council's annual statement of accounts. As part of the new reporting arrangements, the accounts are presented to the Committee in July</p>	<p>Officers will undertake a final proof read prior to the final accounts being presented to the Committee in September.</p>	September 2013	The Director of Customer and Business Support (Ian Floyd)

Ref	Issue	Action Taken or Proposed	Target Date	Owner
	<p>for consideration prior to audit. The accounts are then presented again for approval in September.</p> <p>However, Members noted that errors in wording and grammar are not necessarily identified during proof reading prior to the accounts being presented.</p>			
12	CIPFA briefing papers are circulated on an occasional basis. Members would however benefit from more regular technical updates.	Copies of CIPFA and other technical guidance will be circulated to Members of the Audit and Governance Committee on a regular basis.	Ongoing	Head of Internal Audit (Max Thomas)
13	Opportunities currently exist for Members of the Committee to meet with the Head of Internal Audit and the External Auditor in private. However, it would be helpful for a private meeting with both to be scheduled into the Committee's calendar of meetings.	Arrangements will be made to enable the Members of the Committee to meet privately on an 'informal' basis with both the External Auditor and the Head of Internal Audit. Meetings will be held at least annually.	February 2013	Assistant Director Governance & ICT (Andrew Docherty) / Head of Internal Audit (Max Thomas)

### Audit and Governance Committee Training Needs Summary

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
<b>Overall Purpose and Responsibilities of the Audit &amp; Governance Committee</b>							
1.1	The Terms of Reference of the committee		4	2			
1.2	The committee's role in respect of the council's overall governance arrangements		4	1	1		
1.3	The difference between the committee's role and responsibilities compared to those of the Executive and Scrutiny functions within the council		2	4			
1.4	The committee's role in terms of raising awareness about good internal controls and effective risk management arrangements		3	3			
1.5	The committee's role in terms of providing assurance to the public about the objectivity and accuracy of the council's financial and performance reporting arrangements		3	3			
1.6	The committee's role in supporting the independence of internal and		4	2			

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
	external audit						
1.7	The committee's role in helping to maintain effective working relationships between the internal and external auditors as well as other external inspection agencies.		2	4			
<b>Corporate Governance</b>							
2.1	The council's corporate governance arrangements (including the Local Code of Corporate Governance)		1	4	1		
2.2	The CIPFA Statement on the Role of the Chief Financial Officer in Local Government		1	3	2		
2.3	The committee's role in respect of assessing the adequacy and effectiveness of the council's corporate governance arrangements (including the internal control environment and risk management arrangements).		1	5			
2.4	The committee's role in respect of assessing the adequacy and		1	3	2		

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
	effectiveness of the council's partnership governance arrangements						
2.5	The purpose and content of the Annual Governance Statement		4	2			
2.6	The council's arrangements for preparing the Annual Governance Statement		4	2			
2.7	The committee's responsibility in respect of considering proposed changes to the Local Code of Corporate Governance		1	4	1		
2.8	The committee's responsibility in terms of assessing whether the council is achieving value for money		2	3	1		
<b>Internal Audit</b>							
3.1	The role and responsibilities of internal audit		4	2			
3.2	The CIPFA Statement on the Role of the Head of Internal Audit		1	3	1	1	

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
3.3	The professional standards and regulations governing the work of the internal auditors (including the Accounts and Audit Regulations and the CIPFA Code of Practice for Internal Audit in Local Government)			3	2	1	
3.4	The council's arrangements for internal audit (including the structure and operation of the shared service provider, Veritau)		3	3			
3.5	The committee's role in respect of approving the Internal Audit Terms of Reference		3	3			
3.6	The committee's role in respect of approving the Internal Audit Strategy		2	4			
3.7	The arrangements for planning and prioritising internal audit work			4	2		
3.8	The committee's role in respect of approving the Annual Internal Audit Plan		2	4			
3.9	The arrangements for reporting internal audit findings to		2	4			

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
	management and the Audit & Governance committee						
3.10	The opinions and conclusions used by Veritau		1	4	1		
3.11	The systems operated by Veritau to follow up agreed actions arising from internal audit reports		2	2	1		1
3.12	The committee's responsibility for assessing the progress made by management to address any identified weaknesses in internal control		1	4	1		
3.13	The committee's role in monitoring the delivery of the Annual Internal Audit Plan		3	3			
3.14	The purpose of the Annual Report of the Head of Internal Audit		4	2			
3.15	The ability of the Head of Internal Audit to report directly to the committee and the circumstances where this might be necessary and/or appropriate		3	3			

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
3.16	The committee's responsibility in terms of assessing the adequacy and effectiveness of the internal audit service (including the extent to which internal audit has adequate skills and resources)		1	5			
3.17	The performance indicators used to monitor the delivery of internal audit services		2	4			
<b>External Audit</b>							
4.1	The role and responsibilities of the external auditor		3	3			
4.2	The Audit Commission's Code of Audit Practice			4	1	1	
4.3	The professional standards and regulations governing the work of the external auditors (including the International Standards on Auditing – ISAs)			3	2	1	
4.4	The arrangements for appointing the council's external auditor		1	2	3		
4.5	The external auditor's charging		2	3	1		



	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
	arrangements						
4.6	The committee's role in respect of the external auditor's work programme and their performance			6			
4.7	The external auditor's arrangements for reporting the results of their work to management and the Audit & Governance committee		3	2	1		
4.8	The committee's responsibility for monitoring the implementation of external audit recommendations		3	3			
4.9	The committee's ability to meet privately with the external auditor and the circumstances where this might be necessary and/or appropriate		3	2	1		
4.10	The liaison arrangements between the internal and external auditors			5	1		
<b>Risk Management</b>							
5.1	The committee's responsibility for		1	4	1		

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
	assessing the adequacy and effectiveness of the council's risk management arrangements						
5.2	The committee's role in reviewing the progress made to implement risk management systems and processes throughout the council			4	2		
5.3	The council's arrangements for maintaining and updating the corporate, directorate and service risk registers		2	3	1		
5.4	The council's arrangements for monitoring the implementation of action plans to mitigate risks identified in the corporate, directorate and service risk registers			4	2		
<b>Financial Statements</b>							
6.1	The council's accounting policies and International Financial Reporting Standards (IFRS)			3	3		
6.2	The committee's responsibility to review and approve the annual Statements of Final Accounts for the		2	3	1		

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
	council						
6.3	The committee's responsibility to consider reports issued by the external auditor in respect of the annual audit of the accounts		2	4			
6.4	The process for changing the accounting policies of the council			4	2		
<b>Treasury Management</b>							
7.1	The CIPFA Treasury Management Code of Practice			2	4		
7.2	The council's systems and procedures for undertaking treasury management activities (including the Prudential Indicators)		3	2	1		
7.3	The committee's responsibility for ensuring the effective scrutiny of the council's treasury management strategy, policies and arrangements		3	2	1		
7.4	The committee's responsibility for monitoring investment and borrowing activities against the council's approved Prudential Indicators		2	3	1		

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
<b>Information Governance</b>							
8.1	The council's information governance policy framework		1	3	2		
8.2	Information governance legislation (including the Data Protection and Freedom of Information Acts)		1	2	3		
8.3	The committee's responsibility for reviewing the development and implementation of the information governance policy framework		1	2	3		
8.4	The arrangements adopted by the council to monitor compliance with information governance policies			3	3		
8.5	The performance indicators used to monitor the delivery of information governance services			4	1	1	
<b>Counter Fraud</b>							
9.1	The council's counter fraud policy framework (including the Counter Fraud Strategy and the Whistleblowing Policy)		2	1	3		

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
9.2	The committee's responsibility for approving proposed changes to the counter fraud policy framework		2	3	1		
9.3	The committee's responsibility for assessing the adequacy and effectiveness of the counter fraud arrangements throughout the council		3	3			
9.4	The arrangements adopted by Veritau to maintain and update the fraud risk assessments		1	4	1		
9.5	The purpose and scope of the National Fraud Initiative and other data matching activities		1	2	3		
9.6	The arrangements to investigate suspected fraud and corruption		1	3	2		
<b>Other Duties, Responsibilities, Relationships</b>							
10.1	The committee's role in considering proposed changes to the council's Financial Regulations, Contract Procedure Rules and other protocols and codes		2	3	1		
10.2	The committee's responsibility for		2	4			

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
	producing an annual report to the council (detailing the work completed and how it has discharged its responsibilities during the year)						
10.3	The committee's responsibility for undertaking a periodic review of its own effectiveness		3	3			
10.4	The committee's relationship with other committees and functions in the council			5	1		
10.5	The committee's responsibility to review its Terms of Reference on an annual basis		2	4			
10.6	The need for individual Members to recognise and declare possible conflicts of interest	1	2	3			
10.7	The membership of the committee and the rights and obligations of individual Members.	1	1	4			
10.8	The need for individual Members to be independent of mind, objective and unbiased	1	3	2			

	Description	Excellent	Good	Satisfactory	Limited	None	Not Answered
<b>Administrative Matters</b>							
11.1	The timetable and frequency of committee meetings	1	2	3			
11.2	The annual work programme of the committee	2	1	2	1		
11.3	The training arrangements for Members of the committee		1	3	2		

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**Audit and Governance Committee**19<sup>th</sup> March 2013Report of the Assistant Director, Governance and ICT

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**Restricted Customer Contact Arrangements**

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**Summary**

- 1 This report seeks Members' views on formalising arrangements for restricting certain customer contacts. The proposed arrangements specify when it might be appropriate to restrict customer contact and set out what steps might be taken.

**Background**

- 2 The Council deals with very large numbers of customer contacts each day through a variety of means including face to face, telephone, e-mail, social networking and other internet based means. The great majority of this contact is conducted in a proper manner. The nature of some of the services offered by the Council, however, means that some individuals may be undergoing considerable stress at the time they need to make contact and this may affect their behaviour. Council staff are used to dealing with such situations and they are managed as part of routine business.
- 3 Unfortunately, very occasionally, some customer contact is wholly inappropriate. On occasions Council staff and Members have found themselves subject to abuse or threats. The most serious of these cases may result in referrals to the police or other legal action being taken. In other cases customers may raise the same issues repeatedly and frequently, often using a scatter gun approach to refer the issue to several people at once. This can be severely disruptive to the effective conduct of Council business.

- 4 On very rare occasions the Council has decided that some action needs to be taken to restrict the number of people that a customer can have contact with or the communications channels which are made available to them. Until now there has been no overall framework governing how such decisions are made. It is felt that it would be appropriate to put such arrangements in place and proposed procedures are annexed to this report. Members' views on these procedures are requested prior to them being formally adopted.

### **Consultation**

- 5 This report is coming to this Committee for consultation prior to new procedures being adopted. The Customer Services team have been consulted on the proposals.

### **Options**

- 6 The Committee may express support for the current proposals or suggest amendments or additions.

### **Analysis**

- 7 Not relevant for the purpose of the report.

### **Corporate Priorities**

- 8 This report contributes to the corporate objective of making the Council an effective organisation.

### **Implications**

- 9 **Legal** – the Council has a legal obligation to protect the health and welfare of its staff. Taking the steps described in this report may be necessary in a limited number of cases to comply with that duty.
- 10 **Equalities** – the proposed procedures recognise that some groups of customers have particular difficulties which may contribute to their behaviour being inappropriate and ensure that such issues are considered in decision making.

### **Recommendation**

- 11 Members are asked to:

- (a) Confirm their support for the adoption of the procedures set out in the annex to this report subject to such amendments as Members may consider appropriate

Reason

*To ensure that the Council has clear arrangements in place to deal with restricting customer contact*

**Contact Details**

**Author and Chief Officer Responsible for the report:**

Andy Docherty

Assistant Director, Governance and ICT

Telephone: 01904 551004

**Report Approved**



**Date** 05/03/13

**Wards Affected:** Not applicable

**All**



**For further information please contact the author of the report**

**Background Papers**

None

**Annex**

Restricted Customer Contact Policy and Procedures

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## **City of York Council – Restricted Customer Contact Policy and Procedures**

### **Policy statement**

**The Council aims to deliver excellent service in a manner which is respectful to its customers. Council staff and Members equally have the right to be treated with respect. The effective administration of the Council cannot be allowed to be curtailed through customer's actions. The Council wishes to be open about the steps it will take to manage these situations Accordingly the Council has published the following procedures.**

### **Introduction**

1. On rare occasions the City Council may need to restrict the ways we allow individual customers to communicate with us. This may be because a customer has behaved in an abusive, harassing or aggressive way towards a member of staff, or it may be because a customer's actions seriously impede effective public administration. An example of this may be because a customer who, repeatedly sends e-mails about the issue, perhaps to numerous members of staff despite having been given a response, or been told when they will receive a response.
2. Behaviour which is abusive, aggressive or which seriously impedes effective public administration is unacceptable. These procedures set out how such unacceptable behaviour should be addressed.
3. On occasions the activities of a customer may amount to a criminal offence of harassment. If you believe this may be the case then you can seek advice from legal services who will consider whether the case ought to be referred for police investigation or some other legal action. This should be a last resort. Most cases should be capable of being addressed within these procedures.

### **Specific categories of Customer**

4. Some customers may contact the Council at times of great stress and on occasions their behaviour may be inappropriate, particularly on the telephone. It is not intended that these procedures should be used to deal with incidents of this kind.
5. The Council also has dealings with people who have mental health or other problems which can affect their behaviour. Such problems do not make unacceptable behaviour acceptable. However, if you are aware that you are dealing with a customer who has such problems and you are aware that they are receiving support services then efforts should be made to involve support workers in securing a solution.

### **Process for restricting contact**

6. Unacceptable behaviour should normally be addressed in the first instance with a polite warning given by the staff member dealing with the contact.
7. If unacceptable behaviour continues then it may be necessary to restrict the contact from the customer. This may include the number of people that the individual is allowed to contact and or to restrict the volume or times of contact that the Council will accept.

This should initially be confirmed in writing explaining, who the customer can contact, how and when and the reasons for this. If the customer then continues to make contact with people outside these arrangements they should be reminded of the appropriate way of contact and the call correspondence passed to the correct person and where appropriate the call politely ended.

8. In the most serious cases where this fails to be effective the Council may decide to prevent a Customer from using a particular access channel to the Council such as telephone or e-mail.
9. It is not essential that the Council has put in place other measures to restrict contact before reaching that stage but use of such measures must have been considered.

10. A decision to implement restricted contact must be approved by the Director of Customer and Business Support Services (Ian Floyd) or the Assistant Director Governance and ICT (Andy Docherty). If authorised to do so the Council's ICT team will make arrangements to ensure that any e-mail sent to a Council e-mail address is automatically forwarded to the relevant manager or, where appropriate, blocked from the Council's systems. The decision to take this action, the reasons for it and its effect must be communicated to the customer in writing by the authorising officer. Any representations made by the Customer will be considered by the authorising Officer in considering whether the restriction should be maintained.

### **Recording and review of restrictions**

11. A central log of those who have restricted contact with the Council will be maintained and reviewed annually by the Director of Customer and Business Support Services. Services who have requested a block must also advise the authorising officer if circumstances have changed justifying a lifting of existing restrictions.

### **Contact with elected Members**

12. A decision to restrict e-mail contact will impact on the Customer's ability to make direct contact with their Councillor. Where this is known to be an issue consideration must be given as making appropriate alternative arrangements to ensure that the customer is able to make contact with their Councillor.
13. A Councillor may decide that they no longer wish to have contact with a particular member of the public. In such cases consideration should be given to whether the use of a Junk Mail folder is the best option.

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**Audit and Governance Committee**19<sup>th</sup> March 2013Report of the Assistant Director, Governance and ICT

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**Constitutional Changes relating to Public Health**

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**Summary**

- 1 This report recommends certain constitutional changes arising from the Council assuming public health responsibilities from the 1<sup>st</sup> of April.

**Background**

- 2 On 1<sup>st</sup> April the Council will acquire new legal responsibilities in relation to certain health matters. In particular the Council will be required to have a Health and Well Being Board and become responsible for the appointment of Director of Public Health. Preparations for these new responsibilities have been ongoing for some time. The Council has been operating a Shadow Health and Well Being Board for over a year and the Director of Public Health, Paul Edmondson-Jones has been based in the Council since his appointment. However, Regulations detailing requirements for the Board were only laid before Parliament in February.

**Health and Well Being Board**

- 3 The Board has a key strategic role in carrying out assessments of the health and well being needs of the people of York and in developing strategies to meet those needs. It also has a role of encouraging health and social care providers to work together to meet those needs.
- 4 The Board is statutorily a Committee of the Council albeit an unusual one having Officers and other non Councillors as Members. Draft terms of reference for the Board appear in the annex to this report. They very closely mirror the terms of

reference used by the existing Shadow Board. Key issues that Members may wish to note include:

- There is no legal requirement for political balance on the Board
- The membership of the Board is partially driven by statute and partly by local choice. The proposed membership closely reflects that of the Shadow Board. Where changes have been made these reflect changes in the health service which are due to take effect from 1<sup>st</sup> April.
- There are limited provisions which disqualify an individual from being a member of the Board. These relate to those who are the subject of a bankruptcy restrictions order or who have been sentenced to a term of imprisonment
- Members of the Board are covered by the same standards regime affecting Councillors. This includes the new provisions relating to the registration and declaration of disclosable pecuniary interests
- The new terms of reference include reference to an additional statutory responsibility in respect of carrying out pharmaceutical need assessments
- The Board will be bound by the same access to information regime as any other Committee of the Council and will also fall within the Council's public participation scheme.
- The Board is able to establish Sub Committees and advisory sub Committees to assist in performing its statutory functions. The Council could choose to allocate additional functions to the Board. The Board would be able to delegate the exercise of these (but not the Board's statutory functions) to an Officer as well as to a Sub Committee. Council can direct that the Board is not to use its powers to delegate decision making.

5 It is proposed that the terms of reference would be included in Part 3C of the Constitution alongside other Council Committees.

- 6 As this is technically a new Committee Council should confirm those appointments for which it is responsible. These can, of course, be reviewed at Annual Council.

### **Director of Public Health**

- 7 The Director of Public Health has certain statutory functions. It is proposed that reference should be made to them in Part 3D of the Constitution as follows:

“The Director of Public Health has statutory functions and is authorised to discharge any function of Full Council, a Committee of the Council or of the Cabinet in relation to:

The Council’s duties to take steps to improve public health

Any of the Secretary of State’s public health protection or health improvement functions that s/he delegates to local authorities

The Council’s functions in planning for, and responding to, emergencies that present a risk to public health

The Council’s role in co-operating with the police, the probation service and the prison service to assess the risks posed by violent or sexual offenders

The Council’s public health response as a responsible authority under the Licensing Act 2003

Any other functions allocated by law to the Director of Public Health”

### **Consultation**

- 8 This report is coming to this Committee for consultation prior to the proposal being referred to full Council. The Director of Public Health has been consulted on the report. The current arrangements for the Health and Well Being Board have been the subject of consultation with partners.

### **Options**

- 9 The Committee may express support for the current proposals or suggest amendments or additions.

## **Analysis**

- 10 Not relevant for the purpose of the report.

## **Corporate Priorities**

- 11 This report contributes specifically to the Council's priority of protecting vulnerable people and by way of ensuring appropriate governance for public health matters also contributes to the corporate objective of making the council an effective organisation.

## **Implications**

- 12 **Legal** – the Council is obliged to establish a Health and Well Being Board and appoint a Director of Public Health by virtue of the Health and Social Care Act 2012.
- 13 There are no other specific implications which need to be identified.

## **Recommendation**

- 14 Members are asked to:
- (a) Recommend to Council that constitutional amendments be made as set out in paragraph 6 and in the annex to this report

### Reason

*To ensure that the Council has made an appropriate response to the transfer of public health powers*

- (b) Request the Chief Executive to ensure that the Council's appointments to the Board are confirmed at the next Council meeting

### Reason

*To ensure that the Board has been validly appointed*

**Contact Details**

**Author and Chief Officer Responsible  
for the report:**

Andy Docherty  
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**Report  
Approved**



**Date**

04/03/13

**Specialist Implications Officers**

The report has been approved by the Director of Public Health.

**Wards Affected:**

**All**



**For further information please contact the author of the report**

**Background Papers**

None

**Annex**

Terms of Reference for the Health and Well Being Board

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## **York Health and Wellbeing Board**

### **1. Name**

- 1.1 The Board will be known as the York Health and Wellbeing Board (“the Board”)

### **2. Membership**

- 2.1 Board members will be required to represent their organisation with sufficient seniority and influence for decision making. The Membership of the Board will consist of:
- a. The Leader of the City of York Council (“the Council”) or a Councillor nominated by him and two other elected representatives nominated by the Council
  - b. The Chief Executive of City of York Council
  - c. Two representatives of the Vale of York Clinical Commissioning Group appointed by them
  - d. A representative of HealthWatch York appointed by them
  - e. The Director of Public Health
  - f. The Director of Adults, Children and Education
  - g. A representative for the York Voluntary and Community Sector
  - h. A representative of the York Teaching Hospital NHS Foundation Trust
  - i. A representative of Leeds Partnerships NHS Foundation Trust
  - j. A representative for the Independent Care sector
  - k. A representative of the NHS Commissioning Board
  - l. A representative of North Yorkshire Police

- m. Other members appointed by the Board or the Leader of the Council after consultation with the Board.

### **3. Legal Status**

- 3.1 The Health and Wellbeing Board is a Committee of the Council and will adhere to the Constitutional requirements of the Council affecting Committees unless alternative provision is made within these terms of reference or the law

### **4. Disqualification from membership**

- 4.1 The following are disqualified from being a Board Member
  - a. Any person who is the subject of a bankruptcy restrictions order or interim order
  - b. Any person who has within five years before the day of being appointed or since his or her appointment been convicted in the United Kingdom, the Channel Islands or the Isle of Man of any offence and has had passed on him a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine

### **5. Quorum**

- 5.1 The Quorum shall be 7 members including as a minimum a representative of the City of York Council and a representative of the Vale of York Clinical Commissioning Group.

### **6. Chair**

- 6.1 The Chair of the Board shall be the Leader of the Council or his or her nominated representative.
- 6.2 In the absence of the Chair the Board shall elect a Chair for that meeting from the members present.
- 6.3 The Chair of the Health and Wellbeing Board will be required to hold a named delegate list for board representatives including deputies.

### **7. Frequency of Meetings**



7.1 The Board shall schedule meetings at least four times a year.

## **8. Delegation of Powers**

8.1 The Board may establish Sub Committees to discharge any function of the Board or to advise the Board in respect of its functions

8.2 If the Council delegates any of its public health functions to the Board in accordance with section 196(2) of the Health and Social Care Act 2012 then the Board may arrange for those functions to be discharged by an Officer. Other functions of the Board may not be delegated to Officers.

## **9. Functions of the Board**

9.1 In order to advance the health and wellbeing of the patients and residents in York, encourage persons who arrange for the provision of any health or social care services to work in an integrated manner.

9.3 To provide such assistance or other support as it thinks appropriate for the purpose of encouraging the making of arrangements under section 75 of the National Health Service Act 2006 between the Council and NHS bodies in relation to the exercise of NHS functions or health related functions of the Council.

9.4 To exercise the functions of a local authority and its partner clinical commissioning groups under sections 116 and 116A of the Local Government and Public Involvement in Health Act 2007 relating to joint strategic needs assessments, and health and wellbeing strategy.

9.5 To exercise the statutory functions of a Health and Well Being Board in relation to the carrying out and publication of pharmaceutical needs assessments

9.6 To exercise any other functions of the Council which the Council has determined should be exercised by the Board on its behalf in

accordance with section 196(2) of the Health and Social Care Act 2012 including:

- Overseeing the development of local commissioning plans and, where necessary, initiating discussions with the NHS Commissioning Board if an agreed concern exists.
- Leading cultural and behavioural change to support a joint approach to meeting local need.
- Holding all partners to account for their role in the delivery of joint commissioning and overall stewardship of the health and wellbeing outcomes for patients and residents.
- Working alongside local strategic partnership arrangements to ensure the coordination of city wide ambitions, all of which impact on the health and wellbeing of patients and residents.

9.7 Where it considers it appropriate to do so, or when so requested by the Council, to give the Council its opinion on whether the Council is discharging its duty under section 116B of the 2007 Act to have regard to the joint strategic needs assessment and joint health and well being strategy.

9.8 To periodically review the York Health and Wellbeing Board constitution.

**Comment [AD1]:** Board members will be bound by the same rules as Councillors.



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**Audit & Governance Committee****19 March 2013**

Report of the Assistant Director CBSS (Finance, Asset Management & Procurement)

**Key Corporate Risk Monitor Four 2012/13****Summary**

1. The purpose of this paper is to present to Audit & Governance Committee (A&G) an update on the council's key corporate risks, and to highlight in more detail emerging risk issues with a view to Members considering any further information they would wish to receive on these matters.

**Background**

2. The risk management process at York ensures that all key and emerging risks are reported regularly to A&G and on at least a quarterly basis. The purpose of this paper is to provide assurance that the council identifies understands and is effectively managing its key risks. The detailed corporate risk register containing the key high and critical corporate risks is provided to A&G Members in advance of the committee meeting.

**Current Risk Issues**

3. The council has now set its budget for 2013/14. The background to this is the continuing Government spending cuts, inflationary and demographic pressures on the Adult Social Care budget and the localisation of Council Tax Support and Business Rates. The formal finance monitoring reports during 2013/14 will provide Members with performance against the budget targets and details of any mitigation actions required to ensure a balanced budget is delivered.

4. A key consideration is that 55% of the council's income is received through council tax which makes the organisation less vulnerable to the cuts in Government grant. However during 2013/14 the council's Local Council Tax Support Scheme (LCTS) will pass back 30% of the individual annual council tax bill to customers on benefits and low income. The scheme is assumed to be cost neutral as set out in detailed reports to cabinet, but clearly this will require regular monitoring during the year.
5. As reported in Monitor 3 the relocation of all council services into the two locations at Hazel Court and West Offices has been ongoing since February and is now nearing completion. The move has gone well to date with no serious risk issues arising.
6. One of the key risks to materialise since the quarter 3 paper is in relation to the Waste PFI. A summary of the position as at the 5<sup>th</sup> of March is that the final planning approval for the Allerton Waste Recovery Centre, a joint venture between North Yorkshire County Council and City of York Council, had just been given the go ahead from the government in early February. The councils were expecting to receive £65m from Department for Environment, Food and Rural Affairs (Defra) to support the project that diverts waste away from landfill sites to help finance the scheme.
7. However, Defra announced on 22<sup>nd</sup> February 2013 that it was withdrawing funding for the Allerton Park site, another in Bradford and one in Merseyside as they were no longer needed to meet European Union landfill targets.
8. The plans for the Allerton Waste Recovery Park, to be built on an existing quarry and next to a landfill site near the A1 at Knaresborough, had been shaped by over a year of consultation and community liaison across the county.
9. A UK company AmeyCespa was appointed to run the facility which would reduce the amount of North Yorkshire's household waste going to landfill by 90 per cent and significantly decrease the councils' waste management costs.

10. The Council is seeking an urgent meeting with the Secretary of State for the Environment, Food and Rural Affairs along with the leaders of Calderdale, Bradford and North Yorkshire councils to discuss this decision.
11. The project has so far cost North Yorkshire and City of York councils in excess of £6.5m to progress and there is a contractor liability risk to the Authorities in exiting from the procurement. In addition scrapping of the plans may mean both authorities having to spend more on landfill taxes, depending on the time and acceptability, to “go-live”, of any new solution.
12. The council will now take time and review its options and alternatives to try and recover as much of the withdrawn funding as possible, before putting any new business case to Members, as originally planned, later in the year.
13. The position of the council’s two critical key corporate risks as at the end of February 2013 are set out below:

### **KCR0019 Safeguarding**

#### Safeguarding (Eoin Rush)

*“In common with every other local authority this risk remains a constant. The controls in place are regularly reviewed and updated in line with emerging national guidance. Measures to review and strengthen the controls in place to manage this risk in the next year include, review of social care structure in light of Munro, Social Work Reform Board recommendations and the development of a City wide Integrated Family Service*

### **KCR 0022 Financial Pressures**

#### Reduction in Revenue Budgets (Ian Floyd)

*“The requirement to respond to the public sector spending reductions/deal with demographic cost pressures, presents a financial challenge the scale of which the Council has never experienced. Major savings are currently being implemented*

*by the council, and there are major savings that will be needed in the future. Whilst long term financial planning provides a key control, critical to the organisation being able to manage this risk effectively lies in identifying and achieving the savings identified in service reviews and through making difficult choices in the way services are delivered. Achievement of the savings will also require both a full commitment across the organisation and a robust approach to the ongoing monitoring of the savings.”*

## **Whole Risk Diagnostic**

14. The council has commenced a review of its risks and risk management processes. This work is being supported by Zurich Municipal's Risk Management Services under the council's insurance programme and at no cost to the council.
15. The purpose of the Whole Risk Diagnostic (WRD) approach is to allow the council to gain fresh insight into the risks it faces and provide new thinking as regards potential solutions around these risks. A risk workshop was undertaken with members of the Audit & Governance Committee on 26 February 2012. Some of the headline issues raised by A&G and reported by Zurich included:
  - I) A view that the Risk Register is not current;
  - II) That the risk definition of some risks are not clear and in some cases are too broad;
  - III) A&G want a better understanding of who identifies the key risks and the process followed;
  - IV) A&G wished to have more information around the risk matrix - what criterion sits behind the likelihood and impact rating;
  - V) A&G raised an issue regarding officer attendance at Audit and Governance Committee and ensuring that the appropriate officer attends who has the detailed understanding of the key risk area (this may not necessarily be the Director who ultimately owns the risks);
  - VI) A&G raised the issue around a 'good faith approach' to risk management - members are heavily reliant on officers to identify and manage the key risks;

- VII) A&G thought that Risk Management Training should be offered to all elected members (not just those that sit on the Audit and Governance Committee) - there was also a suggestion to look at on-line training;
  - VIII) A&G requested some kind of high level summary (risk map) of all the key risks - also in the form of a graph/diagram rather than narrative;
  - IX) The issue of committee reports and lack of risk implications was raised - more risk information was requested especially if it involved a key decision;
  - X) A&G also raised an issue around the role of the Audit and Governance Committee 'v' role of Cabinet with regard to Risk Management - clarity around who does what and how far members can go on each Committee;
  - XI) A&G also raised an issue regarding a clear process for elected members to identify/raise a key risk;
16. All these issues will be considered and resolved as part of in the ongoing review. Information around the risk matrix, criterion and risk process is provided at paragraph 11 & 12 below and in more detail in the risk management guide attached at Annex A of this report.

### **Risk Management Scoring and Evaluation**

17. A&G have asked for more details on how risks are scored in terms of their overall risk ranking (III and IV above). Risk Management is not a science and whilst there is an element of mathematics used in calculating risk scores a lot relies on knowledge and assumptions made by risk owners taking into account the perceived impact of the risk occurring and all relevant controls and actions.
18. To support officers as well as the councils Risk Management Strategy and Policy there is a Corporate Guide that takes them through the risk management process (a copy of this is attached at Annex A). The link to this guide sits on the front page of the council's intranet and has formed the basis of officer training. The information contained within the document addresses most of the issues A&G have raised in terms of the thinking behind and scoring of risks.

19. The risk management process at the council did form part of the training programme for all elected members and training was delivered bi-annually in February and October each year (VII above). These training sessions stopped last year as there was no longer any take up by Members. The reduction in staffing across the organisation has also meant that officer training sessions are no longer delivered. There are no issues in putting back the elected member sessions and this forms part of the recommendations of this report however there is no guarantee that members will take them up.

### **Directorate Risk Reports**

20. As discussed at A&G on the 12<sup>th</sup> of December 2012 the risks in respect Adults, Children and Education (ACE) are attached to this paper at Annex B. This report includes risks in relation to the pressures in the Adult Social Care area which are also reported separately to members in the Key Corporate Risk monitor at KCR 0018 each quarter. An officer from the Directorate is in attendance to answer any queries you have in respect of the risks set out within the annex.
21. The timetable for directorate risk reports in 2013/14 is set out below:

<u>A&amp;G Committee</u>	<u>Directorate</u>
July 2013	Office of the Chief Executive
September 2013	CBSS
December 2013	CAN's and City & Environmental Services
March 2014	ACE

### **Options**

22. Not applicable.



## **Council Plan 2011 - 2015**

23. The effective consideration and management of risk within all of the council's business processes helps support achieving 'a confident collaborative organisation' and aids the successful delivery of the five priorities.

### **Implications**

- (a) **Financial** - There are no implications
- (b) **Human Resources (HR)** - There are no implications
- (c) **Equalities** - There are no implications
- (d) **Legal** - There are no implications
- (e) **Crime and Disorder** - There are no implications
- (f) **Information Technology (IT)** - There are no implications
- (g) **Property** - There are no implications

### **Risk Management**

24. In compliance with the council's Risk Management Strategy, there are no risks directly associated with the recommendations of this report. The activity resulting from this report will contribute to improving the council's internal control environment.

### **Recommendations**

25. A&G are asked to:
- (a) Consider and comment on the issues set out in this paper;
- Reason  
*To provide assurance that the authority is effectively identifying and managing its key risks.*

- (b) Approve the reimplementation of an annual risk management training course for elected members.

Reason

*To provide assurance that elected members are been properly trained on the council's risk management process.*

- (c) Approve the timetable for the directorate risk reports for 2013/14 (Paragraph 15)

Reason

*To provide assurance that directorates are properly identifying and managing their risks.*

**Contact Details**

**Author:** **Chief Officer Responsible for the report:**

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Business Support Services (Finance,  
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**Report  
Approved**



**Date** 8 March  
2013

**Specialist Implications Officer(s)** Not applicable

**Wards Affected** Not applicable

**All**

**For further information please contact the author of the report**

**Background Papers**

Key Corporate Risk Monitor Quarter 3

**Annexes**

Annex A – Corporate Risk Management Guide

Annex B –ACE risk report



# **Risk Management Guide**

## City of York Council Risk Management Guide Contents

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<b>Identify – what to do</b> .....	<b>3</b>
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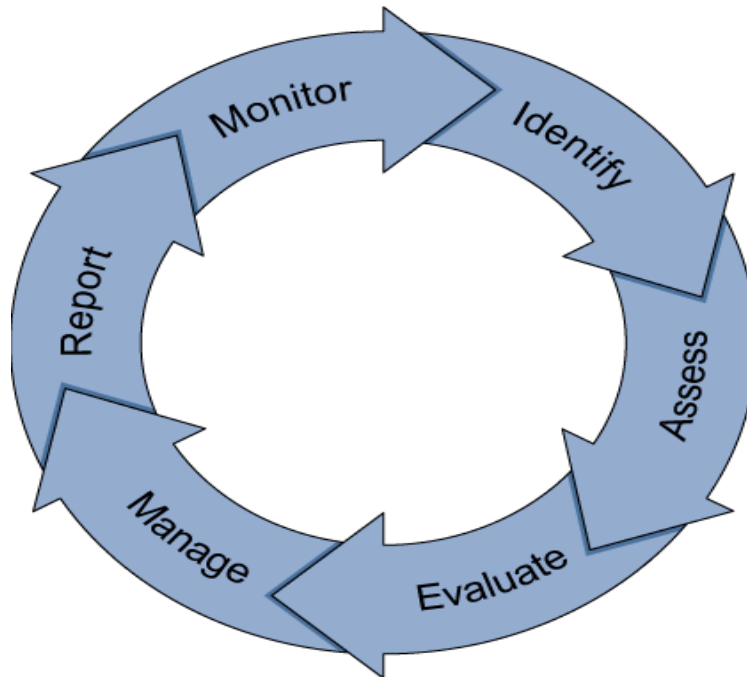
## Introduction

1. This document is designed as a guide for all employees, with risk management responsibilities, to explain what to do and what to document at each stage of the risk management cycle.

## Risk Management Cycle

2. Exhibit 1 shows the standard risk management cycle adopted by City of York Council.

Exhibit 1.



3. Phases and related activities of the risk management cycle.

Phase	Activity
1. <b>Identify</b>	the risks that exist or could emerge
2. <b>Assess</b>	those risks for their potential impact and likelihood
3. <b>Evaluate</b>	the need for further action
4. <b>Manage</b>	put in place mechanisms to reduce risks
5. <b>Report</b>	significant (high) risks to the appropriate level
6. <b>Monitor</b>	the effectiveness of any risk management action taken

## Identify – what to do

4. To ensure all existing and potential risks are identified, it is important to consider how they may arise in the context of the relevant business area.
5. The table below provides a non-exhaustive list of when and how risks can arise and their potential affect on the organisation.

What we do	How risks can arise	What affect they can have
Working in <b>Partnership</b> with others	<ul style="list-style-type: none"> <li>• Poor communication</li> <li>• Ill defined priorities</li> <li>• Lack of commitment</li> <li>• Partners roles not agreed</li> </ul>	<ul style="list-style-type: none"> <li>• Waste resources</li> <li>• Fail to achieve objectives</li> <li>• Increase costs</li> <li>• Negative press coverage</li> </ul>
Delivering <b>Projects &amp; Programmes</b>	<ul style="list-style-type: none"> <li>• Possible deviation from the expected or desired outcome</li> </ul>	Failure to deliver: - <ul style="list-style-type: none"> <li>• on time</li> <li>• within budget</li> <li>• to specification</li> </ul>
Achieve Corporate Strategy ( <b>Strategic</b> )	<ul style="list-style-type: none"> <li>• Conflicts in prioritisation of resources</li> <li>• Lack of commitment</li> <li>• Poor performance</li> </ul>	<ul style="list-style-type: none"> <li>• Negative press coverage</li> <li>• Reduced customer satisfaction</li> <li>• Reputation of organisation</li> </ul>
Service delivery ( <b>Operational</b> )	<ul style="list-style-type: none"> <li>• Lack of procedures/ controls</li> <li>• Unanticipated changes in external environment</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced customer satisfaction</li> <li>• Poor productivity</li> <li>• Inability to manage customer demand &amp; expectation</li> <li>• Negative press coverage</li> </ul>

6. The identification process should involve a combination of a forward-looking (proactive) approach, and a retrospective review of past threats and opportunities.
7. A visioning (identification) session, allows lessons to be learnt from past experiences and ensures future risks are identified, that can be used to shape future plans and actions.

## Identify – what to document

### 8. Risk Title

All risks identified as significant should be documented with an appropriate title, which;

- includes a starting descriptor such as: -
  - o Reduction of....
  - o Loss of....
  - o Disruption to....
  - o Inability to....
  - o Increase in....

### 9. Risk Detail & Implications

The risk detail and implications should;

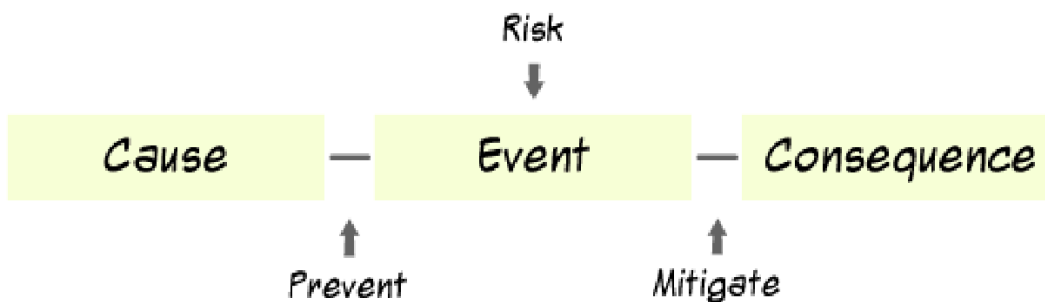
- be clear & understandable
- mention the cause and consequence, if possible

Using the “cause – event – consequence” principle helps to describe what the risk event is.

**Cause** – explains what can lead to the event.

**Event** – describes what it involves – **this is the risk!**

**Consequence** – what the effects are on the organisation.



### 10. Risk Owner

The risk owner should be the person who understands the risk, including it's causes and consequences, and where the risk is considered to fall within their remit. This does not necessarily mean that taking action to manage the risk is their sole responsibility and indeed it may well be beyond their scope of authority to implement the necessary controls, however, it will be within the expectations of their role to flag this as a potential risk.

11. **Risk type** select the appropriate business area, Operational, Strategic, Partnership or Project.

12. **Risk Category** select the appropriate [category](#) from appendix 1.

## Assess – what to do

13. Risk has two elements, the probability of an event occurring (likelihood) and the consequence if it does occur (impact). The aim of risk analysis is to estimate likelihood and impact, this is done at two levels (Gross and Net)

14. **Gross risk rating**

Also known as the inherent risk. This is the estimation of the impact and likelihood of the risk before the effects of controls are considered. (How severe the risk could be if all mitigating measures were removed).

15. **Controls**

List the mitigating and preventative measures that are in place to reduce the likelihood and/or the impact of the risk.

Preventative – help to reduce the likelihood of the event.

Mitigating – help to lessen the impact of the consequence of the event.

16. **Net risk rating**

Also known as the residual risk. This is the analysis of the impact and likelihood in the context of existing control measures. (The **current** potential impact and likelihood if the risk materialised)

## Assess – what to document

17. **Gross Score** - follow the steps below and see [Risk Criteria](#) at appendix 2.

- Determine the risk's potential impact.
- Determine the potential likelihood of the risk occurring.

Using table 1 in [Risk Rating Matrix](#) (appendix 3) find the relevant score in the matrix.

18. **Control Title**

Identify the existing control(s).

19. **Control Owner**

This is the person responsible for ensuring the implementation and effectiveness of the control. It does not have to be the same as the risk owner.



## Assess – what to document (continued)

### 20. **Control Description**

Give an outline of how the control works to reduce either the likelihood or impact.

### 21. **Implementation Status**

This is to advise whether the control is: -  
Complete, work in progress, not started, time frame planned or on going.

### 22. **Reduction in Impact and Likelihood**

State whether the control reduces the impact and/or likelihood of the risk.

### 23. **Review Frequency**

How often is the control reviewed to ensure it is in place and effective – Weekly, monthly, quarterly, bi-annually, annually?

### 24. **Review Method**

How is the control reviewed to ensure its effectiveness – internal audit, internal review, management reports, self assessment, project board, external consultants or no assurance (this is when there is no review to ensure the effectiveness of the control).

### 25. **Net Score** - follow the steps below and see [Risk Criteria](#) at appendix 2.

- Determine the risk's current potential impact.
- Determine the current likelihood of the risk occurring.
- Using table 1 in [Risk Rating Matrix](#) (appendix 3) find the relevant score in the matrix.

## Evaluate – what to do

26. The aim of the this phase is to identify the most significant risks facing the Authority, which will put you in a much better position to anticipate problems and take proactive management style if the worst happens. The output should be a prioritised list of risks for further action.

## Evaluate – what to document

### 27. **Conclusion**

Each documented risk should have a conclusion assigned to it.

- **Tolerate** – accept the risk exposure, supplemented by contingency plans if necessary.
- **Treat** – take appropriate action to constrain the risk to an acceptable level or take advantage of the opportunity.
- **Transfer** – for example by insurance or paying a third party to take the risk in another way.
- **Terminate** - terminating the activity giving rise to the risk, where possible, bearing in mind any residual reputational risks that could still exist.

## Manage – what to do

28. Identify what actions you want to take to further reduce the risk.
29. Risk action or treatment is the process of planning and taking action to minimise the likelihood of the risk occurring and/or reducing the severity of the impact should it occur. This usually requires the identification and implementation of projects, or revision of service delivery procedures.
30. It is important that they are proportionate to the risk and give reasonable assurance of confining likely consequences. Every action has an associated cost and it is important that it offers value for money in relation to the risk it is managing.

## Manage – what to document

31. **Action Title**

Identify the action(s) to be taken.

32. **Action Owner**

Allocate an action owner, who will take responsibility for implementing/ensuring implementation of the course of action.

33. **Priority**

What priority will be given to this action? High, Medium or Low?

34. **Target Date**

What date is this action to be completed by?

35. **Action Detail**

Give an outline of how the action will work to further reduce the likelihood and/or impact.

36. **Target Date**

Determine the date the action is to be completed by.

## Report – what to do

Risk Level	Identification	Monitoring		Reporting	Frequency
<b>Corporate</b>	Corporate Management Team	Corporate Management Team	<b>**HIGH LEVEL RISK ESCALATION REPORTING**</b>	Executive Committee	Annually & Ad Hoc
				Audit & Governance Committee	Quarterly
<b>Directorate</b>	Directorate Management Team	Directorate Management Team		Corporate Management Team (CMT)	Quarterly
<b>Division/ Group/ Arm</b>	Service Planning	Management Team		Directorate Management Team (DMT)	Quarterly
<b>Service</b>	Manager	Manager & Team		Management Team	Quarterly
<b>ITD Plan Projects</b>	Project Manager & Leader	Project Board		Corporate IT Strategy Group	Quarterly
<b>Other Projects</b>				CMT or DMT	Ad Hoc
<b>Partnership</b>	Client Officer	Partnership Board		Directorate Management Team	Ad Hoc

**\*\* HIGH LEVEL RISK ESCALATION REPORTING\*\***

**significant risks (those evaluated with a net rating of 16 or above) should be reported to the appropriate senior management team**

37. Risk exists in all areas and at all levels therefore a robust reporting line to escalate and cascade information is essential.
38. Identify the risks with a net rating of 16 or above and report these to the appropriate senior management team (refer to table).

## Report – what to document

39. Ensure that any comments and information made by the management team reviewing the high level risk escalation report are recorded.

## Monitor – what to do

40. Risk monitoring is necessary to ensure the effectiveness of the risk management framework, to identify required further action and to flag when risks are changing. Therefore, a process should be put in place to review whether the same risks still exist, new risks have arisen, and whether the level of exposure has changed. This will help to identify significant changes, adjust risk priorities and deliver assurance on the effectiveness of control.

## Monitor – what to document

41. Document any changes to the risk as it is described, scored and managed, and make sure you update the next review date.

## Next Steps


42. Risk management is an on-going process, and it is important that risks are considered continuously. New risks that were not considered at the outset can emerge at anytime; therefore it is necessary to considered and review your assessment and position.

## Risk Type & Category

Type	Detail
<b>Strategic</b>	Risks concerning medium to long-term goals and objectives of the organisation.
<b>Operational</b>	Risks involved with the specific operational activities of the organisation.
<b>Partnership</b>	Risks arising from partnership activities of the organisation.
<b>Project</b>	Risks emerging from project and programme activities of the organisation.

Ref	Category	Detail
01	<b>Governance &amp; Management</b>	Risks arising from the stewardship of the Council including conflicts of interest.
02	<b>Legal &amp; Regulatory</b>	Risks arising from failure to comply with laws and regulations.
03	<b>Health &amp; Safety and Property</b>	Risks arising from hazards to people and assets.
04	<b>Financial &amp; Efficiency</b>	Risks to the council's ability to meet its financial commitments and improve efficiency.
05	<b>Competition &amp; Procurement</b>	Risks affecting the competitiveness of the service (cost or quality) and/or its ability to deliver best value.
06	<b>Stakeholder</b>	Risks affecting the council's employees and customers.
07	<b>System &amp; Technology</b>	Risks include changes in pace and scale of customer demands and reliance on ITT.
08	<b>External</b>	Risks arising from changes to the world outside the organisation's control: political, economic, social, technological, legal and environmental.
09	<b>Data Quality</b>	The risk arising out of the use of inaccurate and poor quality data.
10	<b>Reputational</b>	Risks affecting the reputation of the council.

<b>Risk Assessment Criteria –Impact</b>					
	<b>Financial Impact</b>	<b>Compliance &amp; Regulation Impact</b>	<b>Local Community or Target Customer Base</b>	<b>Authority Reputation</b>	<b>Health &amp; Safety</b>
<b>Catastrophic</b>	<b>&gt; 25% of budget</b>	<b>Action in national court. Imprisonment of employees</b>	<b>&gt;25% affected</b>	<b>National media coverage</b>	<b>Fatal injury</b>
<b>Major</b>	<b>10-25% of budget</b>	<b>Action in national court. Major fine</b>	<b>Larger group affected (10-25%) or smaller group for more than 6 months</b>	<b>National media coverage</b>	<b>Multiple serious injury</b>
<b>Moderate</b>	<b>5-10% of budget</b>	<b>Action in local court. Substantive fine</b>	<b>Larger percentage affected (5-10%) or small % for 3-6 months</b>	<b>Local media coverage</b>	<b>Serious injury</b>
<b>Minor</b>	<b>2-5% of budget</b>	<b>Local restrictions or minor fine</b>	<b>Limited to a small percentage (&lt;5%) and for a short duration (&lt; 3 months)</b>	<b>Little or no media coverage</b>	<b>Multiple minor injury</b>
<b>Insignificant</b>	<b>&lt;2% of budget</b>	<b>Notification of non-compliance but no further action</b>	<b>Little impact outside the Council itself</b>	<b>Little impact outside the Council itself</b>	<b>Minor injuries</b>

<b>Risk Assessment Criteria – Likelihood</b>	
<b>Highly Probable</b>	More likely to occur or will occur more often    Less likely to occur or will occur less often
<b>Probable</b>	
<b>Possible</b>	
<b>Unlikely</b>	
<b>Remote</b>	

## Risk Rating Matrix

Table 1

**Impact**

Catastrophic	17	22	23	24	25
Major	12	18	19	20	21
Moderate	6	13	14	15	16
Minor	2	8	9	10	11
Insignificant	1	3	4	5	7
	Remote	Unlikely	Possible	Probable	Highly Probable

**Likelihood**

## Risk Evaluation Table

Table 2

Colour	Score	Assessment	Required Action
	1 – 5	<b>Very Low</b> (tolerate)	Periodic passive monitoring
	6 – 10	<b>Low</b> (tolerate)	Regular monitoring
	11 – 15	<b>Medium</b> (tolerate)	Frequent monitoring
	16 – 20	<b>High</b> (treat)	Constant monitoring, action plan and measures to be put in place to reduce exposure
	21 – 25	<b>Critical</b> (treat)	Requires immediate action

## Risk Management Terminology General

Term	Definition
<b>Risk</b>	combination of the likelihood (probability) of an event and its impact (consequence)
<b>Impact</b>	outcome of an event, its consequence & business impact
<b>Likelihood</b>	extent to which an event is likely to occur (probability)
<b>Event</b>	occurrence of a particular set of circumstances (risk)
<b>Cause or source (aka hazard)</b>	item or activity having potential for a consequence (in the context of health & safety, source is a hazard)
<b>Risk criteria</b>	terms of reference by which the significance of a risk is assessed
<b>Risk Management</b>	coordinated activities to direct and control an organisation with regard to risk
<b>Risk Management system</b>	set of elements of an organisation's management system concerned with managing risk

## Risk Assessment

Term	Definition
<b>Risk assessment</b>	process of risk analysis at gross & net level
<b>Risk analysis</b>	systematic use of information to identify sources and to estimate the risk
<b>Risk identification</b>	process to find, list and characterise elements of risk
<b>Source identification</b>	process to find, list and characterise sources (causes)
<b>Risk evaluation</b>	process of comparing the estimated risk against given risk criteria to determine the significance of the risk



## People & Organisational Terms

Term	Definition
<b>Stakeholder</b>	any individual, group or organisation that can affect, be affected by, or perceive itself to be affected by, a risk
<b>Interested party</b>	person or group having an interest in the performance or success of an organisation
<b>Risk perception</b>	way in which a stakeholder views a risk, based on a set of value or concerns
<b>Risk communication</b>	exchange or sharing of information about risk between the decision maker and other stakeholders

## Risk Treatment & Control Terms

Term	Definition
<b>Risk treatment</b>	process of selection and implementation of measures to modify risk
<b>Risk control</b>	action of implementing risk management
<b>Risk optimisation</b>	process, related to a risk to minimise the negative and maximise the positive consequences and their respective likelihood
<b>Risk reduction</b>	actions taken to lessen the likelihood, negative impact or both, associated with a risk
<b>Mitigation</b>	limitation of any negative impact of a particular event
<b>Risk avoidance</b>	decision not to become involved in, or action to withdraw from, a risk situation
<b>Risk transfer</b>	sharing with another party the burden of loss or benefit of gain from a risk
<b>Risk financing</b>	provision of funds to meet the cost of implementing risk treatment and related costs
<b>Risk retention</b>	acceptance of the burden of loss, or benefit of gain, from a risk
<b>Risk acceptance</b>	decision to accept exposure to a risk
<b>Inherent risk</b>	exposure to a risk before treatment (gross risk)
<b>Residual risk</b>	remaining exposure to a risk after treatment (net risk)

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## Adult, Children & Education - Risk Overview

### Strategic Risks:

#### 1. Lack of Coherence and impact of educational offer through growth of academies due either to their own choice or because they fall into an Ofsted category of concern

Risk: New Government policy enables good schools to become academies  
 A more rigorous Ofsted framework places more schools in a category, and therefore the DfE expectation is that they will become an academy  
 Reduced collaboration between schools to drive improvement particularly for most disadvantaged  
 Leadership recruitment to schools in intervention

Impact: Impact on council budget should schools become academies, and on ACE capacity to deliver high quality core services to remaining schools.  
 Narrowing the Gap priority not delivered

Mitigations: Continuous dialogue with schools  
 Sector-led school to school support through the Teaching School Alliance and York Education Partnership established  
 Strong understanding of the national picture to inform local decision making  
 Strategic plan through York Education Partnership  
 Improved buy-back service  
 Strong understanding of the national picture to inform local decision making

#### 2. Inability to understand and respond to the demands of an Ageing Population

Risk: The Ageing Population Review has been completed and actions are being embedded in Directorates. If as Directorates or Corporately we fail to give these actions the necessary priority and do not continue to respond

to the changing needs of older people this will become a risk.

Impact: We must continue to build on our understanding of our response required to meet the demands of an ageing population. Many people are living longer and living longer healthier. This is both an issue about increased volume of demand but more about higher dependency levels of those who need our support. If we do not, this could lead to reputational damage and older people becoming disengaged with the council and broader social issues.

Mitigations: Support Directorate leads in embedding actions via an Ageing Well Programme of mentoring Partnership working around Dementia Without Walls maintaining momentum Service Capacity protected through outsourcing/social enterprise plans etc Development of more integrated approaches with CCG eg Neighbourhood Care Teams EPH strategy approved and delivery plan in place

**3. Insufficient Capacity to provide High Quality Childcare Places across the City as required for Vulnerable 2 Year Olds Programme**

Risk: Lack of high quality places

Impact: Lack of support for parents for career and learning  
Lack of childcare to enable parents to return into work, training or employment  
Impact on local job markets and employment figures

Mitigations: Funding secured  
Sufficient high quality places to meet the demands of the vulnerable two year old programme.  
Strategic plan completed with key mitigation actions in place to ensure sufficient number of places  
Implementation ongoing.  
QA and improvement scheme in place for all settings, including child minders.

**4. OFSTED/CQC/judge the council's Safeguarding Arrangements to be Inadequate**

Risk: OFSTED or CQC judge the council's safeguarding arrangements to be inadequate

Impact: This could affect the council reputationally and undermine people's confidence in the services and prevent them from making referrals, resulting in vulnerable people not being identified as such

Mitigations: Pre-inspection pack (Self-evaluation Framework)  
Revised referral and assessment arrangements  
Standing Inspection Reference Group – chaired by the Director  
Commissioned LGID Peer Review – January 2011  
Positive Safeguarding and Looked After Children Inspection outcome – May 2012  
Engaged with Sector led regional improvement programme for adults and children's services

**5. Further Growth in the Looked After Population**

Risk: The care population is growing nationally and York has seen significant growth over the period 2009-12. During 12/13 we have seen stabilisation and importantly a significant reductions in both new admissions and numbers of children on child protection plans in the community.

Impact: Children should ideally be cared for within their own or extended family. Increases in care population brings concerns about quality of family functioning, this carries both individual risks for children and young people and financial risks to ensure children who are in care remain locally placed.

Mitigations: Targeted Preventative Services  
New front door arrangements on partnership basis  
Good permanency planning  
Enhanced legal scrutiny  
Integrated Family Support Services including Troubleshooter programme now in place  
Restructure of children's social care and key support services

**6. Inability to meet the Demand for School Places**

Risk: Failure to predict demand accurately: children moving schools in year

Impact: Children failing to secure preferences  
Children not being able to attend their local school and having to travel greater distances

Reputational damage due to media coverage

Mitigations: Analysis - population projections  
School Organisation Plan under development for York Education Partnership  
Collaborative commitment from York Education Partnership  
Key decisions on Burnholme Community College and Derwent/Osbaldwick primary schools progressed  
Capital programme approved including major investment at Knavesmire Primary

**7. Inability to Maintain School Buildings to Adequate Standard**

Risk: Reduced both devolved school and LA capital funding places considerable pressure on maintenance and repair of school buildings

Impact: Lack of maintenance and basic repair could lead to breakdown eg school boilers which could disrupt the education of local children

Mitigations: Prioritisation through use of local conditions surveys  
History of attracting significant investment in new and existing buildings

**Financial Risks:**

**8. Increasing Social Care Support Costs**

Risk: If we do not involve older people in the design and delivery of services such as health, social care, housing and other services and deliver the changes required to manage demand and create efficiencies/savings

Impact: The rising demographic for social care support projections show that the costs could increase by £12m by 2020. This would happen if the council does not respond and change the way it delivers its services. We will lose the opportunity to have an inclusive design that supports older people's quality of life in the city

Mitigations: Priority for Growth in council budget agreed for 13-15  
Additional central government funding via PCT  
Re-ablement service has doubled capacity as external provider  
Review of EPH's completed and clear strategy in place  
Whole System approach at Health and Wellbeing Board  
Strong engagement with Clinical Commissioning Group and models for integrated delivery under development  
Learning from North Yorkshire and York Review supporting whole system funding realignment toward community based support  
Framework approached for integrated and cross boundary working developed

## 9. Agreeing a Fair Price for Care

Risk: Financial risk arising from challenges from the independent sector to the level of fees paid by the LA for home care and residential and nursing care

Impact: National experience of judicial review resulting in findings against LAs incurring significant costs  
Financial implications also associated with achieving agreement.

Mitigations: Negotiations for 12/13 completed without legal intervention being necessary  
Agreement in place for joint independent development of a local Fair Price for Care  
National independent modelling available

## 10. Inability to deliver the Financial Strategy and make Savings within ACE

Risk: The scale of the delivery challenge is unparalleled and will stretch leadership, project management and support service capacity. Another factor affecting this

risk is how it is subject to secondary political decision-making due to targets having been agreed in advance of identifying the final and full delivery methods

Impact: Lack of delivery has significant implications for the balancing of the corporate budget  
A key concern to address, in delivering the transformation programme, is doing so without experiencing any destabilisation within existing high risk services such as Safeguarding

Mitigations: Monthly and quarterly monitoring reports  
Enhanced governance arrangements for delivery of savings programme  
DMT member leadership of each key project  
Project board arrangements established  
Programme built on previous work  
Strong consultation with staff and unions in place

## **Operational Risks**

### **11. Information Security Incident**

Risk: Failure to have corporate information governance policies and procedures in place

Impact: Legal challenge

Mitigations: Improvement plan in place  
Record keeping  
Confidentiality policy  
Staff training

### **12. Failure to deliver essential services in an emergency**

Risk: Lack of Business Continuity Plans

Impact: Within ACE this is particularly important because of the statutory responsibilities to protect vulnerable people  
The Council has a duty to ensure the continuity of its services to residents and customers. Business Continuity Plans should act as mitigating controls capable of reducing the impact of specific risks such as fire, flood or loss of staff. The lack of these plans reduces the Council's ability to respond and increases



the level of exposure to associated reputational damage

Mitigations: BIA's completed in all key sites  
Flu plan developed and tested  
BCP for each service division

**13. Serious injury or death occurs where there is or should have been some safeguarding involvement**

Risk: Evidence that multi agency procedures were not properly implemented

Impact: Serious case review which would put into the public domain the short comings of any services that were involved

Mitigations: Monitoring of referral arrangements  
Safeguarding Children Board Professional Practice Monitoring Group established  
Implementation of comprehensive safeguarding children training programme  
Routine Case File Auditing  
Inspection feedback  
Adult Safeguarding Board Assurance processes in place  
Multi agency procedures and protocols reviewed regularly  
Adults Safeguarding Competency Framework adopted and used to inform multi agency training  
Adult safeguarding team undertaking assessments for CYC and offering specialist advice and support

**14. Maintenance of Equipment supplied through Community Equipment Store**

Risk: Our Community Equipment Store provides a wide range of equipment to support the daily living of older/disabled residents. Many pieces of equipment requires periodic testing repair or updating and the timescales for completing recommended reviews are challenging.

Impact: Risk that lack of maintenance checks may not identify equipment in need of repair or renewal and place customers using the equipment at risk.

Mitigations: Schedule for maintenance checks in place  
Contract in place for compliance  
Priorities identified within contract  
Monitoring of progress against priorities

## **15. Updating of Foster Carer payment system**

Risk: Foster Carer payment system works effectively but is within an increasingly outdated and in the longerterm unsupportable financial payment system

Impact: Our valued carers receive errors or omissions in the levels of allowances they are entitled to

Mitigations: Exploration underway to identify and put in place new system