



Notice of a public meeting of

Audit and Governance Committee

To: Councillors Pavlovic (Chair), Daubeney, Fisher (Vice-Chair), Lomas, Mason, Wann and Webb

Date: Wednesday, 14 April 2021

Time: 5.30 pm

AGENDA

1. Declarations of Interest

At this point in the meeting, 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 might have in respect of business on this agenda.

2. Public Participation

It is at this point in the meeting that members of the public who have registered their wish to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

Please note that registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering is **5:00pm on Monday, 12 April 2021**.

To register to speak, please visit www.york.gov.uk/AttendCouncilMeetings to fill in an online registration form. If you have any questions about the registration form or the meeting, please contact Democratic Services. Contact details can be found at the foot of the agenda.

Webcasting of Remote Public Meetings

Please note that, subject to available resources, this remote public meeting will be webcast, including any registered public speakers who have given their permission. The remote public meeting can be viewed live and on demand at www.york.gov.uk/webcasts.

During coronavirus, we've made some changes to how we are running council meetings. See our coronavirus updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

3. Monitoring Officer's update (Pages 1 - 4)

In response to the COVID-19 pandemic, the Government has issued Regulations which have implications on the functions of the Council. As such the Monitoring Officer has had cause to effect necessary amendments to the Council's Constitution which are outlined in this report.

4. Corporate Governance Report (Pages 5 - 14)

This report provides Members with a range of updates in respect Corporate Governance.

5. Annual Report of the Audit & Governance Committee (Pages 15 - 32)

This report seeks Members' views on the draft report of the Audit and Governance Committee for the period ended March 2021, prior to its submission to Full Council.

6. Approval of the Internal Audit Plan (Pages 33 - 48)

This report seeks the committee's approval for the planned programme of internal audit work to be undertaken in 2021/22. It

also includes the proposed plan for counter fraud work, for information.

7. Governance Update from Head of HR on CYC settlement agreements (Pages 49 - 60)

This report provides Audit and Governance Committee with an annual report on the use of settlement agreements across the council and the associated money spent.

8. Monitor 2 2020/21 - Key Corporate Risks (Pages 61 - 106)

This report provides Audit & Governance Committee with an update on the key corporate risks for City of York Council.

9. Audit and Governance Committee Work Plan (Pages 107 - 110)

To receive a draft plan of reports currently expected to be presented to future meetings of the Committee up to April 2022.

10. Urgent Business

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

Democracy Officer:

Name: Robert Flintoft

Telephone: (01904) 555704

Email: robert.flintoft@york.gov.uk

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.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

**Ta informacja może być dostarczona w twoim
własnym języku. (Polish)**

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 (01904) 551550



Audit & Governance Committee**14th April 2020**

Report of the Monitoring Officer

Amendments to the Constitution by the Monitoring Officer**Summary**

In response to the COVID-19 pandemic, the Government has issued Regulations which have implications on the functions of the Council. As such the Monitoring Officer has had cause to effect necessary amendments to the Council's Constitution which are outlined in this report.

Background

In response to the national COVID-19 pandemic, the Government has issued legislation and Regulations and associated guidance which have resulted in additional responsibilities and service delivery functions being placed on the Council. As a result this has required amendments to the Council's Constitution by including the legislation detailed below within Section 3 of Council's Constitution. Where necessary, relevant Officer Schemes of Delegation have been amended.

Additions to the Constitution Section 3:

- The Health Protection (Coronavirus, Restrictions) (Steps) (England) Regulations 2020 enacted 29th March 2021.

Implications**Financial**

Not applicable to this report.

Human Resources (HR)

The Council is required to respond to national public health guidance and associated legislative measures at this time.

Equalities

Not applicable to this report but decisions made under the legislative changes to the Constitution as detailed within this report may be the subject of consideration of equalities implications on a case by case basis.

Legal

As detailed within the report.

Crime and Disorder, Information Technology and Property

The Council will utilise recognised ICT platforms for the delivery of remote meetings and live stream meetings via the existing YouTube channel.

Recommendations

To note the Monitoring Officer's amendments to the Council's Constitution.

Author & Chief Officer responsible for the report:

Janie Berry

Director of Governance &
Monitoring Officer

01904 555385

Report
Approved

Date 6 April 2021

Specialist Implications Officer(s):

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

- City Of York Constitution

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Audit and Governance Committee**14th April 2021****Report of the Director of Governance****Corporate Governance Report****1. Summary**

1.1 This report provides Members with updates in respect of:

- Information governance performance
- Information Commissioners Office (ICO) decision notices from last report February 2021 to date of this report
- Local Government and Social Care Ombudsman (LGSCO) and Housing Ombudsman cases from last report in February 2021 to date of this report
- The new 4Cs
- NHS Digital data security and protection toolkit
- Review of the council's RIPA policy and procedures

2. Information Governance Performance

2.1 The council publishes performance data on timeliness for responding to requests made under Freedom of Information Act (FOI), Environmental Information Regulations (EIR) and Data Protection Act subject access to records requests (SARs), via the York Open Data platform via the below link.

<https://data.yorkopendata.org/group/freedom-of-information>

2.2 From feedback at Committees in November 2020 and in February 2021, we have provided the reports in a graphical format at Annex 1.

2.3 There has been an improvement in the combined FOI and EIR timeliness of responses from 81.68% in the previous reporting quarter (October to December 2020) to 83.50% in this reporting

quarter January to March 2021. Also there has been a significant improvement in timeliness of SAR responses over the same reporting quarters from 72.73% to 90.00%.

- 2.4 The yearly performance figures for both April 2019 to March 2020 and April 2020 to March 2021 are shown on page 2 of Annex 1. The comparison of the annual figures show that despite there being only a very small decrease in number of requests received during covid 19 restrictions and the council's response to those, there has only been a small drop in our overall annual performance for timeliness of responses for FOIs, EIRs and SARs.
- 2.5 Since the last report to Committee, work is still not yet complete across different information governance networks and groups in the Yorkshire and Humberside region regarding sharing of performance information that is informative and useful. I will continue to update the Committee on the progress of the regional work when available.

3. ICO decision notices

- 3.1 If someone is unhappy with the response they receive in relation to an FOI, EIR or SAR request, or if they want to raise a complaint under data protection legislation in relation to the rights of individuals, there is an opportunity to seek an internal review and then to complain to the ICO. The ICO publishes their decision notices and their full reports are available on the following link

[| Search | ICO](#)

- 3.2 Since the last report in February 2021, there have been no published decision notices by the ICO

4. Ombudsmen cases

- 5.1 Local Government and Social Care Ombudsman (LGSCO) decisions and recommended actions, from the last report to Committee in February 2021, to the date of this report are shown at Annex 2. There were no Housing Ombudsman Services decisions during this time.

5.2 Of the eight cases investigated and determined by the LGSCO, four were closed after LGSCO's initial enquiries and four were upheld with recommendations and/or remedies shown in Annex 2 in the actions column.

5.4 The Corporate Governance Team continue to work with the Corporate Management Team, Directorate Management Teams as well as with individual service areas to identify areas for improvement or shared learning opportunities.

6. The new 4Cs

6.1 Following the approval of both Audit and Governance Committee and Customer and Corporate Services Scrutiny Management Committee, the updated Corporate Complaints and Feedback policy and procedures was implemented on 1st April 2021. The 4Cs (complaints, concerns, comments and compliments) toolkit sees us move from a hierarchical and rigid three stage process, which is increasingly being criticised; to a more effective process that is responsive to both the nature of the complaint and to individual complainant's needs and uses an assessment method to grade complaints at grade 1 or grade 2 with appropriate timescales.

6.2 We are working with business intelligence team on the new performance and quality reports and will provide the format and content of these in the next Corporate Governance Report to Committee in July, for your comments and feedback. We will then make any further amends to the new style report and populate it, for the next report due in September 2021.

7. NHS Digital data security and protection toolkit

7.1 We have submitted and published the council's annual assessment, including evidence for this toolkit. This annual assessment is for all health, care and social care organisations to ensure they can demonstrate that they are putting into practice the 10 data security standards recommended by the National Data Guardian.

7.2 We have successfully maintained the required assurance level and an action plan for April 2021 to March 2022 will be produced

and monitored through Governance Risk and Assurance Group (GRAG) and report provided to Committee as part of this Corporate Governance report.

8. Review of RIPA policy and procedures_

- 8.1 This policy and procedures applies the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA) as it relates to covert surveillance and certain covert powers under RIPA and the Investigatory Powers Act 2016 (IPA). These are available to the council and can be used in appropriate circumstances, in accordance with the requirements of the legislation, to support the delivery of our functions. The review underway is to ensure we have effective and efficient processes (including the provision of training) in place for the operation of the council's actions with regard to covert surveillance and Covert Human Intelligence Sources (CHIS) and that we meet the Investigatory Powers Commissioner's Office (IPCO) requirements for these. We will provide an update on this in a future report to Committee.
- 8.2 Training will be provided to council staff who will be responsible for making any applications under these provisions and also those who will authorise them in May 2021.

9. Consultation

Not relevant for the purpose of this report.

10. Options

Not relevant for the purpose of this report.

11. Analysis

Not relevant for the purpose of this report.

12. Council Plan

- 12.1 The council's information governance framework offers assurance to its customers, employees, contractors, partners and other stakeholders that all information, including confidential and personal information, is dealt with in accordance with legislation and regulations and its confidentiality, integrity and availability is appropriately protected.

13. Legal Implications

The Council has a duty to comply with the various aspects of data protection, privacy and information governance related legislation.

14. Risk Management

The council may face financial and reputational risks if the information it holds is not managed and protected effectively. For example, the ICO can currently impose civil monetary penalties up to 20million euros for serious data security breaches. The failure to identify and manage information risks may diminish the council's overall effectiveness and damage its reputation. Individual(s) may be at risk of committing criminal offences.

15. Recommendations

Members are asked:

- To note the details contained in this report.

Contact Details

Author: Lorraine Lunt
Information Governance &
Feedback Team Manager
Telephone: 01904 554145

Chief Officer Responsible for the report:
Janie Berry, Director of Governance

Report
Approved

Date 31st March
2021

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Annexes

- Annex 1 – FOI/EIR/SAR performance
- Annex 2 – Ombudsmen cases

Background Information

Not applicable

Annex 1					
April 2020 to March 2021					
Q1 - April to June 2020					
	total received	how many in time	% in time	how many out of time	% out of time
foi	219	178	81.28%	41	18.72%
eir	99	82	82.83%	17	17.17%
combined foi and eir	318	260	81.76%	58	18.24%
sar	41	26	63.41%	15	36.59%
Q2 - July to September 2020					
	total received	how many in time	% in time	how many out of time	% out of time
foi	296	225	76.01%	71	23.99%
eir	190	169	88.95%	21	11.05%
combined foi and eir	486	394	81.34%	92	18.66%
sar	34	27	79.41%	7	20.59%
Q3 - October to December 2020					
	total received	how many in time	% in time	how many out of time	% out of time
foi	344	287	83.43%	57	16.57%
eir	211	169	80.09%	42	19.91%
combined foi and eir	555	456	81.68%	99	18.32%
sar	55	40	72.73%	15	27.27%
Q4 - January to March 2021					
	total received	how many in time	% in time	how many out of time	% out of time
foi	356	285	80.06%	71	19.94%
eir	147	135	91.84%	12	8.16%
combined foi and eir	503	420	83.50%	83	16.50%
sar	30	27	90.00%	3	10.00%

TOTALS for April 2020 to March 2021

	Total received	How many in time	% in time	How many out of time	% out of time
Combined foi and eir	1862	1530	82.17%	332	17.83%
sar	160	120	75.00%	40	25.00%

TOTALS for April 2019 to March 2020

	Total received	How many in time	% in time	How many out of time	% out of time
Combined foi and eir	1909	1596	83.60%	313	16.39%
sar	204	157	76.96%	47	29.94%

LGSCO/ Housing Ref	Directorate	Service Area	Summary of Final Decision	Actions	Date of final decision	Actions completed date	Actions completed in time Y/N	Decision
20005860	CSC	Childrens safeguarding	The Council was at fault for its record-keeping after receiving information about the welfare of Mr B's son. Because of this, it is unable to provide evidence that it properly dealt with the information. The Council has apologised to Mr B and has offered £500 to recognise his, and his son's, distress. This is a suitable remedy.	Awaiting acceptance from customer of £500 payment	05/02/2021	see actions column		Upheld: Malad & Injustice
19019511	HHASC	Adult Social Care	Ms C complained the Council failed to take her specific situation into account, including her need for reasonable adjustments, when it transferred her case to another social worker and throughout her care review. We found fault with regards to some of the Council's actions, especially in relation to the delay in transferring Ms C's case to a new social worker and providing clarity about what would happen to her Direct Payments. The Council has agreed to apologise and pay a financial remedy for any distress it caused Ms C. The Council will also review guidance it provides to clients about what they cannot use a Direct Payment for.	Issue £400, apologise and review procedures in 6 weeks of date of final decision	22/02/2021			Upheld: Malad & Injustice
20004703	EAP	Highways	Summary: Mr B complained that when work was undertaken on a public right of way, he was unable to use the advertised diversion. Mr B said he was stressed and inconvenienced by the actions of the Council because he was unable to use the diversions. Mr B said the Council breached the Equality Act 2010 because it did not consider the needs of disabled road users. We did not find fault with how the Council co-ordinated the diversion. We did find fault with the Council's complaint handling. The Council has agreed to apologise to Mr B to remedy the injustice caused.	issue an apology within 1 month of decision	19/02/2021	02/03/2021	Y	Upheld: Malad & injustice

20011049	CSC	childrens service	We will not investigate Miss D's complaint that the Council failed to ensure that a member of staff sends her a personal apology for including inaccurate information in a social work report. This is because it is unlikely further investigation will lead to a different outcome.	na	02/03/2021	Na	na	Closed after initial enquiries - No further action
20006365	HHASC	housing management	Summary: Mrs X complains the Council's wrongly disposed of belongings from a garage it leased to her husband for a second time. The Council has accepted there was fault. It has apologised, made service improvements and offered payments for Mrs X's time, trouble and distress. I am satisfied these are a suitable remedy for the injustice caused. The courts are better placed to deal with the dispute about the value of the lost property.	To pay £600 recompense - no date given by LGSCO	18/02/2021	Na	na	Upheld : Malad and injustice - No further action
20010822	EAP	Highways	We will not investigate Mr X's complaint about the Council's handling of his report of a defect in the pavement. This is because it would be reasonable for Mr X to serve notice on the Council and take the matter to court. The issue has also not caused Mr X significant personal injustice.	na	02/03/2021	Na	na	Closed after initial enq - out of Jurisdiction
20010909	CCS	Business rates	We shall not investigate this complaint about the Council refusing to increase a business grant. It is unlikely investigation would find any fault by the Council but for which the Council would have increased the grant.	na	10/03/2021	Na	na	Closed after initial enquiries - No further action
20010551	CSC	Safeguarding	I will not investigate this complaint about the way in which the Council dealt with safeguarding concerns raised by the complainant in relation to his children. This is because we are unlikely to be able to add anything further to the Council's response to the complaint. The remedy offered is within our guidelines.	na	10/03/2021	Na	na	Closed after initial enquiries - No further action



Agenda Item

Audit and Governance Committee14th April 2021**Report of the Chair of the Audit Committee**

Report of the Audit and Governance Committee

Summary

- 1 This report seeks Members' views on the draft report of the Audit and Governance Committee for the period ended March 2021, prior to its submission to Full Council. As a result of the COVID-19 national pandemic and the suspension of all meetings for a period of time during 2020, this report covers an extended period of time. Following a meeting on 11th March 2020, meetings of the Audit & Governance Committee recommenced via a remote meeting on 15th July 2020.

Background

- 2 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

- 3 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 7, Part 3C of the Constitution is also attached to the report at Appendix 2, for information.

Options

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

Analysis

- 5 Not relevant for the purpose of the report.

Corporate Priorities

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

Implications

- 7 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

- 8 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 effectively discharge its responsibilities.

Recommendations

9 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
Technical Accountant
01904 551170

Chief Officer Responsible for the report:

Janie Berry
Director of Governance & Monitoring officer
Telephone: 01904 551100

Report
Approved

Date

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers:

None

Annexes

appendix 1- Report of the Audit and Governance Committee for the period to march 2021

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REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE FOR THE PERIOD TO MARCH 2021

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 March 2021. The report also details how the Audit and Governance Committee has fulfilled its terms of reference. As a result of the COVID-19 national pandemic and the suspension of all meetings for a period of time during 2020, this report covers an extended period of time. Following the meeting on 11th March 2020, meetings of the Audit & Governance Committee recommenced via a remote meeting on 15th July 2020.

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 7, 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.

TRAINING

The Committee has continued to receive training sessions during this period in order to assist the Committee in effectively fulfilling its responsibilities. These included:

- Induction training session for new Committee Members
- Statement of Accounts training session
- Treasury Management training session

The Committee also received presentations in September 2020 from the Chief Finance Officer and Monitoring Officer on challenges and the financial response to the coronavirus pandemic, and changes to guidance and practice in response to this.

WORK UNDERTAKEN

The Audit and Governance Committee has met on thirteen occasions in the period from April 2019 to March 2021. 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, 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 Committee undertook a review of the constitution on 11th March 2020, and made recommendations to Full Council which were approved in October 2020.

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

Risk

1. The Committee received a number of update reports on the key corporate risks for the Council during the year, along with the refreshed Key Corporate Risk Register. Each report considers risk as a whole and focuses on a specific KCR in each report to ensure a more thorough review of the various issues and mitigation for each risk. This ensures the Committee has sufficient oversight of the changing risk profile of the Council.
2. At Members request an additional report on the risk Management arrangements for the York Central Project was presented in November 2020.

Internal Audit and Counter Fraud

3. The Committee 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.
4. Members now receive electronic copies of Internal Audit reports by email throughout the year in order to improve oversight.
5. Members received, considered and approved the initial Internal Audit and Counter Fraud plans along with a number of update reports on the progress made throughout the year.
6. Members considered regular follow up reports setting out progress made by council departments in implementing actions agreed as part of internal audit work.
7. Considered a report which sought members' views on the priorities for internal audit for 2020/21, to inform the preparation of the Internal Audit plan.
8. Received and considered a report on the progress against the actions set out in the new Counter Fraud and Corruption Policy and Strategy which also added new actions for the next financial year. The Council's counter fraud risk assessment was also updated to reflect fraud risks currently facing the Council
9. Received the Annual Report of the Head of Internal Audit which summarised the outcome of audit and fraud work undertaken in 2019/20 and provided an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control. Members scrutinised the significant control issues highlighted in the report and noted that these were reflected within the Annual Governance Statement.

External Audit

10. Received and considered Mazars Audit Strategy Memorandum which set out the audit plan in respect of the audit of the Councils Financial statements for 2019/20. The report summarised the audit approach, highlighted significant areas of key judgements and provided details of the audit team.

11. Received and considered the Annual Audit Letter which summarised the outcome of the 2018/19 audit carried out by Mazars on the annual accounts and work on its value for money conclusion. Members discussed and noted the findings of the audit contained in the report.
12. Received and considered the Annual Audit Letter which summarised the outcome of the 2019/20 audit carried out by Mazars on the annual accounts and work on its value for money conclusion. Members discussed and noted the findings of the audit contained in the report
13. Received regular update reports on the progress made by Mazars in meeting their responsibilities as the Council's external Auditor. The Committee were also kept updated on key emerging national issues and developments.
14. Received a report setting out the details of a two stage consultation process in relation to a new Code of Audit Practice, due to come into force on 1 April 2020.
15. Received a summary of the findings from Independent Review of Local Audit and the Transparency of Local Authority Financial Reporting by Sir Tony Redmond published in September 2020

Treasury

16. The committee continued the role of scrutinising the council's treasury management strategy and policies and considered both strategy statements and update reports.
17. Received the Treasury Management Annual Report and Review of Prudential Indicators for 2018/19 which provided an update on Treasury activity during the year.
18. Received and scrutinised the Treasury Management Strategy Statement and Prudential indicators for 2020/21 to 2024/25.
19. Received a report setting out the draft Treasury Management Annual Report and Review of Prudential indicators for 2019/20, outlining treasury activity during the year for scrutiny of the Committee.

20. Received and scrutinised the Treasury Management Midyear review and Prudential Indicators for 2019/20 and 2020/21.
21. Received and scrutinised the Treasury Management Strategy Statement and Prudential indicators for 2020/21 to 2025/26.

Governance & Statement of Accounts

22. The Committee received the Annual Report of the Monitoring officer since her appointment in December 2019, addressing the Council's governance and assurance frameworks and intended to support the Annual Governance Statement.
23. In September 2019 received an update report on the proposed review of the Council's Constitution and Governance Arrangements
24. Received a report setting out proposed amendments to the Council's constitution in March 2020.
25. The committee then received a number of further reports setting out amendments to the Constitution by the Monitoring Officer throughout the remainder of the year.
26. Considered the Annual report of the Audit & Governance Committee prior to its submission to Full Council.
27. Initially considered a draft pre audited version of the Statement of Accounts for 2018/19 in June 2019 before approving the Final audited Statement of Accounts July 2019
28. Initially considered a draft pre audited version of the Statement of Accounts for 2019/20 in July 2020, scrutinising a final audited version of the Accounts in November 2020 before approving the Final audited Statement of Accounts and updated Annual Governance Statement in March 2021. The meeting dates for the Accounts were amended in 2019/20 to reflect the extended deadlines for the Accounts and Audit issued by the government in response to the Coronavirus pandemic.

Other

29. At each meeting the Committee has maintained a Work Plan setting out meetings a year in advance, to ensure that its responsibilities are discharged in full and appropriate reports are scheduled to be brought by officers on a timely basis.
30. In December 2019 Members received and discussed a report considering the options for a review of the effectiveness of the Audit & Governance Committee. Members considered all of the options and decided to defer the review until the new director of Governance was in post.
31. Members received a report on the process to be followed in respect of Settlement Agreements, as confirmed by Staffing Matters & Urgency Committee, following the recommendations of the Audit & Governance Committee in March 2019.
32. Members also considered a report which invited them to make their final comments on an updated Whistleblowing policy for the council.
33. A report on a review of the Social Media Policy and processes was also presented to the Committee describing the implementation and impact to date.
34. The Committee received a report on setting out the Results of Independent Review into Quality of Council Audits Published: Independent Review by Sir Tony Redmond of local audit and the transparency of local authority financial reporting.
35. Received a number of Information Governance update reports containing information on performance; ICO decision notices; publishing of the decision log; Ombudsman (LGSCO and HOS) Complaints; publishing of a disclosure log for Freedom of Information (FOI) requests.
36. The Committee also received an Annual Complaints report for April 2019 to March 2020.
37. A report on Corporate Complaints and Feedback Proposals was also presented to the Committee in November 2020. The report presented proposals for a revised and refreshed Corporate Complaints and Feedback policy and procedures (the 4Cs toolkit)

as part of the council's review of the governance of complaints and feedback handling and was unanimously approved by Committee.

Summary

38. As can be evidenced from the above information, this has been a challenging year for the Audit & Governance Committee in terms of the volume of work placed before it and the resulting high number of meetings so as to ensure that it has fulfilled its statutory and constitutional responsibilities to the best of its abilities.

Cllr M Pavlovic
Chair of the Audit & Governance Committee

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

7.1 The functions of the Audit & Governance Committee are:

No.	Delegated authority	Conditions
	Audit	
1	To consider the annual report and opinion of the Head of Internal Audit. The report should include a summary of internal audit activity in the relevant period and the level of assurance that can be given over the control environment and corporate governance arrangements at the Council	
2	To consider periodic reports from the Head of Internal Audit detailing the summary findings and the main issues arising from internal audit work.	
3	To consider reports dealing with the management and performance of the Internal and External Audit functions.	
4	To consider whether internal audit work conforms to professional standards and to review the effectiveness of Internal Audit and the Committee itself on an annual basis.	
5	To consider reports of the Head of Internal Audit detailing the progress made by management to address control weaknesses identified by Internal or External Audit.	
6	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

No.	Delegated authority	Conditions
7	To consider all other relevant reports received from the External Auditor as scheduled in the forward plan for the Committee or otherwise requested by Members.	
8	To comment on the scope and depth of external audit work and ensure it provides value for money.	
9	To liaise with the Audit Commission (or its successor body) over the appointment of the Councils External Auditor.	
10	To approve the Internal Audit Charter	
11	To approve the Annual Plans of the Internal Audit Service and the External Auditor.	
12.	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.
Governance & Regulatory		
13.	To keep under review the Councils contract procedure rules, financial regulations, working protocols and codes of conduct and behaviour (not otherwise reserved to the Joint Standards Committee).	
14	To review any relevant issue referred to it by the Chief Executive, S151 Officer, the Assistant Director (Financial Services)), the Monitoring Officer, the Head of internal Audit or any other Council body.	
15	To consider the effectiveness of the Councils arrangements for corporate	

No.	Delegated authority	Conditions
	governance (including information governance).	
16	To monitor the effective development and operation of risk management arrangements across the Council.	
17	To assess the effectiveness of the Councils counter fraud arrangements including the Whistle blowing policy and other relevant counter fraud policies and plans.	
18	To consider the Councils 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 Legal and Governance
	Annual Governance Statement and Accounts etc	
20	To approve the Statement of Accounts and the Annual Governance Statement.	
21	To consider the External Auditors 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.	
	General	
23	To meet informally with the External Auditor and the Head of Internal Audit on a periodic basis to discuss audit related matters.	

No.	Delegated authority	Conditions
24	To report on the discharge of the Committees responsibilities under the Constitution to Full Council on an annual basis.	
25	To maintain and participate in a programme of training relevant to the activities and responsibilities of the Committee	

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**Agenda Item**

Audit and Governance Committee**14 April 2021**Report of the Head of Internal Audit

Internal audit & counter fraud plans 2021/22

Summary

- 1 This report seeks the committee's approval for the planned programme of internal audit work to be undertaken in 2021/22. It also includes the proposed plan for counter fraud work, for information.

Background

- 2 The council's internal audit service has to comply with the Public Sector Internal Audit Standards, and the council's own Internal Audit Charter. The standards and charter require that the Head of Internal Audit gives an annual opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. The basis for the opinion is the programme of work that internal audit carries out. An indicative risk based audit work programme is drawn up at the start of each year, setting out proposed priorities for audit work over the coming twelve months. The work programme will be revisited and updated throughout the year, to ensure it remains aligned with current risks and priorities.
- 3 The work programme is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit. This report seeks approval for the outline programme of internal audit work for 2021/22.
- 4 In addition to internal audit, Veritau also provides the council with specialist counter fraud services. While formal approval of the counter fraud plan is not required, the proposed areas of work are set out in this report for the committee's information.

2021/22 Internal Audit Plan

- 5 The internal audit programme in annex 1 outlines priorities for work in 2021/22. It includes proposed areas of audit coverage and is based on a risk assessment undertaken by Veritau. The work programme is also informed by discussions with senior officers and members, risk management arrangements, and by plans for development and change within the council. The internal audit work programme is a flexible working document and variations will be made throughout the year to reflect changes in risks and priorities, and to address any issues that arise.
- 6 Total planned internal audit days for 2021/22 are 1,095. This is unchanged from the previous year.

2020/21 Counter Fraud Plan

- 7 Proposed areas of counter fraud work for 2021/22 are set out in annex 2. No estimate of time is made for each area as this will depend on levels of suspected fraud reported to the team. Reactive investigations (determined by allegations of fraud received) account for the largest proportion of work. Priorities for work in the remaining areas will be determined in accordance with the council's Counter Fraud Strategy and Counter Fraud Risk Assessment (presented to the committee in February).
- 8 Total planned days for 2021/22 are 983, which is a reduction of 77 days from 2020/21. The reduction is not expected to significantly impact on the effectiveness of the service the council receives but will deliver the required budget savings. Efficiencies in investigation processes, including the increased use of technology to facilitate remote investigations and the wider use of data analytics will offset the reduction in days.

Consultation

- 9 In preparing the audit and counter fraud plans consultation has taken place with the Audit and Governance Committee and key officers across the council.

Options

- 10 Not relevant for the purpose of the report.

Analysis

- 11 Not relevant for the purpose of the report.

Council Plan

- 12 The work of internal audit and counter fraud supports overall aims and priorities by promoting probity, integrity and accountability and by helping to make the council a more effective organisation.

Implications

- 13 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

- 14 The council will be non-compliant with the Public Sector Internal Audit Standards if the internal audit plan is not approved by the committee, and it may be subject to increased scrutiny and challenge.

Recommendation

- 15 Members are asked to
- approve the 2021/22 internal audit plan and note the proposed counter fraud plan.

Reason

In accordance with the committee's responsibility for overseeing the work of internal audit and the counter fraud service.

Contact Details

Author:

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Head of Internal Audit
Veritau Ltd
Telephone: 01904 552940

Chief Officer Responsible for the report:

Janie Berry
Director of Governance
Telephone: 01904 555385

**Report
Approved**



Date 26/3/2021

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers

Annexes

Annex 1 – 2021/22 Internal Audit Plan
Annex 2 – 2021/22 Counter Fraud Plan



City of York Council

Internal Audit Work Programme 2021/22



Introduction

- 1 This report sets out the proposed 2021/22 programme of internal audit work for City of York Council.
- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the council's audit charter. In accordance with PSIAS, internal audit work must be risk-based and take into account the requirement to produce an evidence-based annual internal audit opinion. Planned work should be reviewed and adjusted on an ongoing basis in response to changes in services, risks, operations, programmes, systems and internal controls.
- 3 The Head of Internal Audit's annual opinion is based on an independent and objective assessment of the effectiveness of the framework of risk management, governance and internal control. Our planned audit work includes coverage of all three areas to enable us to develop a broad understanding of the arrangements in place, to enable us to provide that opinion.
- 4 Responsibility for effective risk management, governance and internal control arrangements remains with the council. The work of internal audit cannot be expected to prevent or detect all weaknesses or failures in internal control nor can audit work cover all areas of risk across the organisation.

Approach

- 5 There is currently a significant amount of uncertainty for the council arising from the environment in which it operates. The impact of Covid-19 on all service areas, the socioeconomic and regulatory uncertainty in post-Brexit UK, and the significant potential impact of Local Government Reorganisation are just three reasons why it is difficult to accurately predict key organisational risks for 2021/22. Risks relating to these issues, and the actions needed to manage and mitigate them, are likely to change and evolve over the next 12 months.
- 6 The audit work programme for 2021/22 represents a summary of the areas where we expect to provide assurance over the next year, based on our current assessment of risk. This assessment involves giving careful consideration to:

- systems where the volume and value of transactions processed are significant, or the impact if risks materialise is very high, making the continued operation of regular controls essential
- areas of known concern, where a review of risks and controls will add value to operations
- areas of significant change which may include providing direct support / challenge to projects, reviewing project management arrangements, or consideration of the impact of those changes on the control environment, for example where the reduction in resources may result in fewer controls.

Despite the significant uncertainties facing the council, the areas listed above remain the core principles and appropriate criteria in identifying and prioritising areas for internal audit review.

- 7 The identification of risks included in the assessment has been informed in a number of ways. This includes review of organisational risk management processes, sector-wide risk information, understanding the council's strategies and objectives, other known risk areas (for example areas of concern highlighted by management), the results of recent audit work and other changes in council services and systems. We have also consulted with key officers and this committee in forming a view on proposed areas of coverage.
- 8 To meet professional aims and objectives, good practice for internal audit requires us to adopt flexible planning processes. This helps to ensure that internal audit work undertaken during the year is adapted on an ongoing basis to reflect changing and emerging risks within the council. We will review priorities for work on a rolling basis and update the programme and its content, to reflect actual work undertaken, and new priorities, throughout the year.
- 9 We will also regularly discuss the scope and timings of work with officers to help ensure that we provide assurance in the right areas and at the right time. We will provide regular updates to the Audit and Governance Committee throughout 2021/22 on the coverage, scope and findings of our work.
- 10 Where possible, internal audit work during 2021/22 will include shorter, more focussed assignments and an increased use of data

analytics to support the provision of continuous assurance to the council.

2021/22 internal audit work programme

- 11 The proposed areas of audit coverage are based on a total of 1,095 days and are included in the work programme at appendix A below. This includes overall areas where we expect to undertake work; although the specific areas of focus within each area will be determined in consultation with officers during the year. In some cases, an indication of priorities for each area has also been included.
- 12 The programme is designed to ensure that limited audit resources are prioritised towards those areas which are considered to carry the most risk or which contribute the most to the achievement of the council's strategic priorities and objectives.
- 13 The plan has been structured into a number of sections, as follow.
 - **Strategic risks / corporate & cross cutting;** to provide assurance on areas which, by virtue of their importance to good governance and stewardship, are fundamental to the ongoing success of the council.
 - **Technical / projects;** to provide assurance on those areas of a technical nature and where project management is involved. These areas are key to the council as the risks involved could detrimentally affect the delivery of services.
 - **Fundamental / material systems;** to provide assurance on the key areas of financial risk.
 - **Operational / regularity;** to provide assurance on key systems and processes within individual service areas. These areas face risks which are individually significant but which could also have the potential to impact more widely on the operations or reputation of the council if they were to materialise.
 - **Other assurance work;** an allocation of time to allow for continuous audit planning and information gathering, unexpected work, and the follow up of work we have already carried out, ensuring that agreed actions have been implemented by officers.

- **Client support, advice & liaison;** work we carry out to support the council in its functions. This includes the time spent providing support and advice and liaising with staff.

- 14 It is important to emphasise two important aspects of the programme. Firstly, the audit areas included in this draft programme are not fixed. Work will be kept under review to ensure that audit resources continue to be deployed in the areas of greatest risk and importance to the council. This is to ensure the audit process continues to add value.
- 15 Secondly, it will not be possible to deliver all of the audits listed in the programme. The programme has been over planned, to build in flexibility from the outset while providing an indication of the priorities for work at the time of assessment. This will enable us to respond quickly by commencing work in other areas of importance to the council when risks and priorities change during the year.
- 16 The prioritisation and scoping of work will continue to be discussed regularly with officers, and relevant changes to the programme will be agreed with officers and notified to this committee.

Draft Internal Audit Work Programme 2021/22

Area	Days	Potential audits / activity
Strategic risks / corporate & cross cutting	280	<ul style="list-style-type: none"> • Areas of the council's corporate governance framework: schemes of delegation (following the review of the Constitution), registers of interests and complaints processes • Financial planning and budgeting: commercialisation and investments, use of assets, Cipfa Financial Management Code, s106 (support in developing systems) • Strategic planning: Covid-19 recovery, LGR preparedness • Risk management • Performance management and data quality • Partnership working • Business continuity and disaster recovery • Health and safety: risk assessments (including remote workers), incident reporting • Procurement and contract management: supply chain resilience, due diligence, Modern Slavery Act compliance • HR and workforce planning: management of remote teams, staff wellbeing • Information governance and data protection: data security, data quality / integrity of information assets, data breach management, data sharing agreements • Environment and waste: air pollution, carbon footprint, energy reduction, recycling
Technical / projects	80	<ul style="list-style-type: none"> • Cyber security: policies and procedures, networks, physical and logical access, electronic communications security, firewalls and anti-malware • ICT change management • ICT procurement / contract management • Digitalisation / automation • Overall corporate project management arrangements and project risk management • Support and review for specific key projects

Area	Days	Potential audits / activity
Fundamental / material systems	150	<ul style="list-style-type: none"> • Core financial systems: general ledger, debtors (including debt recovery and enforcement practice), income collection, ordering and creditors • Council Tax / NNDR and benefits: Covid-19 related grants and funds • Payroll • Treasury management • Capital accounting and assets
Operational / regularity	400	<ul style="list-style-type: none"> • Adults: budget management, commissioning, high cost placements, market management, internal provision • Children: Special Educational Needs and Disability (SEND), education, Health & Care (EHC) plans and processes • Direct payments • Service contract management and client arrangements: Explore, YMT, leisure facilities • Public health • Building services and housing repairs • York Central
Other assurance work	90	<ul style="list-style-type: none"> • Follow-up of previously agreed management actions • Assurance mapping and continuous assurance arrangements, including data analytics and data matching projects • Assurance related working groups • Contingency
Client support, advice & liaison	95	<ul style="list-style-type: none"> • support and advice on control, governance and risk related issues • audit planning and monitoring • liaison with officers • external audit liaison • support to A&G and reporting to committee • FOI Act requests
TOTAL	1,095	

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City of York Council
Counter Fraud Plan 2021/22



Introduction

- 1 This plan sets out the activities that the counter fraud service delivers for the City of York Council.
- 2 A total of 983 days of counter fraud work has been agreed for 2021/22. A large proportion of this work will comprise reactive investigations which are determined by referrals received from officers and the public about suspected fraud. Other work will be undertaken in accordance with priorities determined by the Counter Fraud Risk Assessment and Counter Fraud Strategy Action Plan (presented to the Audit and Governance Committee in February).

2021/22 counter fraud plan

- 3 A summary of planned areas of work is set out in the table below.

Area	Activity
Counter Fraud General	Monitoring changes to regulations and guidance, review of counter fraud risks, and support to the council with the maintenance of the counter fraud framework. This will include completion of the annual counter fraud risk assessment and review of the counter fraud policy and strategy.
Proactive Work	This includes: <ul style="list-style-type: none"> • raising awareness of counter fraud issues and procedures for reporting suspected fraud - for example through training and provision of updates on fraud related issues • targeted proactive counter fraud work - for example through local and regional data matching exercises • support and advice on cases which may be appropriate for investigation and advice on appropriate measures to deter and prevent fraud.
Reactive Investigations	Investigation of suspected fraud affecting the council. This includes feedback on any changes needed to procedures to prevent fraud recurring.

Area	Activity
Covid-19 response work	Undertaking pre and post assurance checks to ensure that Covid-19 grants are paid correctly. Investigating potential fraud highlighted through this work. Assisting the council to recover money lost to fraud through grants.
National Fraud Initiative (NFI)	Coordinating submission of data to the Cabinet Office for the NFI national fraud data matching programme and investigation of subsequent matches.
Fraud Liaison	Acting as a single point of contact for the Department for Work and Pensions, to provide data to support their housing benefit investigations.

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Audit & Governance Committee

14 April 2021

Report of the Head of Human Resources

Settlement Agreements

Summary

1. Recommendations from Audit and Governance (A&G) Committee in March 2019, an agreed process (shown in Annex 1) was confirmed by Staffing Matters and Urgency Committee (SMU), whereby an Executive member will be aware of, and, agree to progressing a settlement agreement with a member of staff. The business case will reflect the involvement of the Executive member and this will be included in the business case which is noted by Staffing Matters and Urgency
2. The process agreed was provided to A&G in December 2019, and as part of that process A&G would receive an annual report on the use of settlement agreements across the council and the associated money spent.
3. This report provides that annual update starting from October 2019 to March 2021. This is a longer period due to the commencement of the process and the impact of the pandemic, but future reports will be received in April each year.
4. Following work with the External Auditors over the past few months, we have identified the need to review the template business case used for such decisions where there is a financial impact on the Council and Value for Money assessment, therefore it is expected that the current template business that was agreed as part of the process will be amended. The current template business case as agreed is shown in Annex 2.

Recommendation

5. That the Report be noted.

6. To note that the business case template is being reviewed and updated and will be presented to a future meeting of Audit & Governance.
7. That Audit & Governance receive an annual report on the number of settlement agreements made across directorates throughout the financial year and the value each April.

Background

8. In March 2019 A&G committee considered a report from the Head of HR & OD with regards to Non-Disclosure Agreements. This report identified the difference between a settlement agreement and non-disclosure agreement. For clarity this is provided below for reference as there is often confusion about the two and members of the committee have changed since the previous discussion in March 2019.
9. A Non Disclosure Agreement (NDA) is defined as “a contract through which the parties agree not to disclose information covered by the agreement. A NDA creates a confidential relationship between the parties to protect any type of confidential and proprietary information or trade secrets. As such, a NDA protects non-public business information.” (Wikipedia)
10. In an employment law context, an employer would rarely require an employee to enter into a stand-alone NDA.
11. When agreeing the mutual termination of an employment relationship however, an employer and employee can agree a “Settlement Agreement” that would include a confidentiality clause. Such a confidentiality clause is also commonly referred to as a NDA.
12. Typically the confidentiality clause (NDA) within a Settlement Agreement would only permit the employee to disclose its terms in limited situations, for example, to immediate family members and legal or professional advisers, or to make a protected disclosure.
13. “Settlement agreements are legally binding contracts that waive an individual's rights to make a claim covered by the agreement to an employment tribunal or court.” (ACAS) The agreement is between the employer and the employee. Payment made is made on a commercial basis, and is dependent upon risk and circumstances. The financial

settlement is usually linked to what the employee would have received in notice entitlement.

14. Settlement Agreements are not used to “dismiss” employees (other than in a redundancy situation). They are an agreement to mutually terminate employment for particular reasons.
15. There are existing legal safeguards in the use of Settlement Agreements as shown below.

The Employment Rights Act 1996 (inter alia), requires certain conditions to be met for a settlement agreement to be valid, including:

- The agreement must be in writing;
 - The agreement must relate to a "particular complaint" or "particular proceedings";
 - The employee must have received legal advice from a relevant independent adviser on the terms and effect of the proposed agreement and its effect on the employee's ability to pursue any rights before an employment tribunal;
 - The independent adviser must have a current contract of insurance, or professional indemnity insurance, covering the risk of a claim against them by the employee in respect of the advice;
 - The agreement must identify the adviser; and
 - The agreement must state that the conditions regulating settlement agreements under the relevant statutory provisions have been satisfied.
16. At CYC the Chief Officer approves and must seek the approval of the Executive Member, Finance Manager, HR Manager and the Councils Employment Lawyer to assess the suitability of use of a settlement agreement. Where a settlement agreement involves a Chief Officer then the Chief Operating Officer would consult with the Leader of the Council, and the appropriate decision making route identified as detailed in the constitution. Where the Executive Member has agreed to the parameters of the settlement agreement, then in line with the process shown at Annex 1, consultation can commence with the member of staff and their trade union representative.
 17. When a settlement agreement is considered in a school, the Headteacher seeks approval via the Governing Body.

18. Settlement agreements are not used in relation to safeguarding matters and cannot prevent future litigation in an employment tribunal on the grounds of discrimination or whistle blowing.
19. Whether a settlement agreement is appropriate in an employment situation is considered on a case by case basis by the relevant Chief Officer tasked with the operational management of staff, with the benefit of professional legal and HR advice. The Head of Paid Service and Council Directors are responsible for all staffing matters other than for Chief Officers.
20. Involvement by Members in general staffing matters would be inappropriate and likely to contravene the law relating to Members' access to information, which is set out at Part 5 to the Council's Constitution. It would also give rise to a significant risk of breach of confidentiality that could result in financial and reputational damage to the Council.
21. Directors have delegated responsibility for all of their functions, including staffing, provided such matters are not decisions which explicitly require Executive approval, for example where values exceed officer delegation, or where the decision is regarding Chief Officers.
22. Only where the employment situation concerns a Chief Officer would those Members specified within the processes set out in the Constitution be involved in any employment matter. (see Constitution: Intro 1.11.2 and Section 3C Page 17 Para 9).
23. In summary an Executive Member will be consulted and agree to the parameters of the settlement agreement through the business case outlined by the Chief Officer. Where agreement is given negotiations will commence and the process completed.
24. The business case will be presented to SMU for noting after the settlement agreement has been agreed.
25. On an annual basis the Audit & Governance committee should receive a report on the number of settlements agreements and cost across the financial year.

Consultation

26. This is an annual report for noting and is based on settlement agreements already made throughout the year. There is no requirement for consultation on this report. Consultation occurs at the time of any settlement agreement with the member of staff and trade unions.

Analysis

27. This section provides Audit & Governance with the number of settlements and total amounts paid. For reference I have included information for the past 5 years.
28. The table below shows the breakdown.

Financial year	CYC		Schools		Total	
	No.	Amount	No.	Amount	No.	Amount
2016/17	1	£38,000	8	110,602	9	£148,602
2017/18	2	£22,427	5	£40,271	7	£62,898
2018/19	3	£42,396	4	£18,060	7	£60,456
2019/20	5	£190,566	5	£60,905	10	£251,471
2020/21	1	£7,651	0	0	1	£7,651

29. The details of individual business cases from October 2019 are seen by SMU.

Next Steps

30. Following work with the External Auditors over the past few months, we have identified the need to review the template business case used for such decisions where there is a financial impact on the Council and Value for Money assessment.
31. We will therefore be reviewing and updating the template business case and will bring this back to a future meeting of Audit & Governance. The current template business case as agreed is shown in Annex 2.

Council Plan

32. The report is for noting and therefore not material to the Council Plan however the process is consistent with the required outcomes of the Organisational Development Plan.

Implications

33. There are no implications for the process as described. Any implication on individual cases will be detailed in the business case and considered at the time.

Risk Management Assessment

34. This approach manages the risk to the council and gives greater oversight and scrutiny whilst maintaining confidentiality in line with the settlement agreements.

Recommendation

35. It is recommended that Audit & Governance:
 - i. note the content of the report;
 - ii. note that the business case template is being reviewed and updated and will be presented to a future meeting of Audit & Governance; and
 - iii. receive an annual report on the number of settlement agreements made across directorates throughout the financial year and the value each April.

Reason

To provide assurance and oversight by Members.

Contact Details

Author:
Trudy Forster
Head of Human Resources
Tel: (01904) 553984

Chief Officer Responsible for the report:
Ian Floyd
Corporate Director of Customer and
Corporate Services

Report **Date** 06.04.2021
Approved

Specialist Implications Officer(s) List information for all

Janie Berry, Director of Governance & Monitoring Officer
Peter Cairns, Senior Lawyer (Employment)

Wards Affected: List wards or tick box to indicate all **All**

For further information please contact the author of the report

Annexes

Annex 1 Process

Annex 2 Settlement Agreement Business Case

Background Papers

Previous reports to A&G

[Agenda for Audit and Governance Committee on Wednesday, 6 March 2019, 5.30 pm \(york.gov.uk\)](#)

[Agenda for Audit and Governance Committee on Wednesday, 4 December 2019, 5.30 pm \(york.gov.uk\)](#)

Previous Reports to SMU

[Agenda for Staffing Matters and Urgency Committee on Monday, 5 August 2019, 5.30 pm \(york.gov.uk\)](#)

Councils Constitution

<https://data.yorkopendata.org/dataset/cyc-s-constitution>



Protocol for Settlement Agreements and Non Disclosure Clause

1. This protocol provides the process to follow when considering settlement agreements with members of staff. This will ensure that the correct approvals have been obtained and recorded and will ensure that we are able to provide assurance and oversight of the process to members.
2. Settlement agreements are legally binding contracts which can be used to end the employment relationship on agreed terms. Their main feature is that they waive an employee's right to make a claim to a court or employment tribunal on the matters that are specifically covered in the agreement. Settlement agreements may be proposed prior to undertaking any other formal process. They usually include some form of payment to the employee and may also include an agreed reference.
3. Settlement agreements are voluntary. Parties do not have to agree them or enter into discussions about them if they do not wish to do so. Equally the parties do not have to accept the terms initially proposed to them. There can be a process of negotiation during which both sides make proposals and counter proposals until an agreement is reached, or both parties recognise that no agreement is possible.
4. For a settlement agreement to be legally valid the following conditions must be met:
 - a) The agreement must be in writing;
 - b) The agreement must relate to a particular complaint or proceedings
 - c) The employee must have received advice from a relevant independent adviser on the terms and effect of the proposed agreement and its effect on the employee's ability to pursue that complaint or proceedings before an employment tribunal;
 - d) The independent adviser must have a current contract of insurance or professional indemnity insurance covering the risk of a claim by the employee in respect of loss arising from that advice;
 - e) The agreement must identify the adviser;
 - f) The agreement must state that the applicable statutory conditions regulating the settlement agreement have been satisfied.

5. Settlement agreements can be proposed by both CYC managers and employees. A settlement agreement proposal can be made at any stage of an employment relationship. How the proposal is made can vary depending on the circumstances but reasons for the proposal should be given when the proposal is made. The initial proposal may be oral although it must ultimately be put in writing. At this stage the conversation is protected and without prejudice.
6. The initial proposal should be considered by the Head of Service / Assistant Director, Legal, HR, and Finance. Where it is proposed to progress then the AD/Corporate Director should inform and gain approval from the Executive Member and from the Section 151 Officer/ Chief Executive. This will all be documented in the Settlement Agreement template, shown in Appendix 1.
7. Where the business case has been approved, as in paragraph 6 above, parties should be given a reasonable period of time to consider the proposed settlement agreement and a minimum period of 10 calendar days should be allowed to consider the proposed formal written terms of a settlement agreement and to receive independent advice, unless the parties agree otherwise.
8. Whilst not a legal requirement, CYC should allow employees to be accompanied at the meeting by a work colleague, trade union official or trade union representative.
9. Where a proposed settlement agreement based on the termination of the employment is accepted, the employee's employment can be terminated either with the required contractual notice or from the date specified in the agreement. The details of any payments due to the employee and their timing should be included in the agreement.
10. The Settlement Agreement Template (anonymised) will be sent to SMU for noting, after the agreement has been signed.
11. The use of a non disclosure clause within the settlement agreement may be used for the benefit of either CYC or the employee, but in general is included for the benefit of both parties. The clause is confidential and provides certainty and closure, whilst affirming the right of either party to make a protected disclosure (i.e. whistleblowing).

Business Case – Settlement Agreements

Briefly outline the circumstances of the request to provide a settlement agreement. This should be very brief.

Please provide full details of the settlement proposal, not named individuals

Directorate:

Department:

Reason:

Overall total cost of the settlement:

Total cost and breakdown :

Please provide details of alternative courses of action and advantages and disadvantages of each. For example the potential cost (and resource) of following internal process.

Non Disclosure Clause

If this is included is there anything additional to the norm ?

Business Case prepared by:	
Name of Manager:	Date:
Directorate Sign Off: Assistant Director / Director	
To confirm date of discussion with Executive Member – signed below	
Name of Manager:	Date:
Name of Executive Member	Date:
HR Comments:	
Name:	Date:
Finance Comments	
Name: ...	Date:
Legal Comments	
Name: ...	Date:
Date submitted to Section 151 Officer / Chief Executive for approval:	
Business case approved/not approved on	



Audit & Governance Committee**14 April 2021**

Report of the Chief Finance Officer

Monitor 2 2020/21 - Key Corporate Risks**Summary**

1. The purpose of this paper is to present Audit & Governance Committee (A&G) with an update on the key corporate risks (KCRs) for City of York Council (CYC), which is included at Annex A.
2. A detailed analysis of KCR10 (Workforce/ Capacity) is included at Annex B.

Background

3. The role of A&G in relation to risk management covers three major areas;
 - Assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risk
 - Keeping up to date with the risk profile and effectiveness of risk management actions; and
 - Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management
4. Risks are usually identified in three ways at the Council;
 - A risk identification workshop to initiate and/or develop and refresh a risk register. The risks are continually reviewed through directorate management teams (DMT) sessions.

- Risks are raised or escalated on an ad-hoc basis by any employee
 - Risks are identified at DMT meetings
5. Due to the diversity of services provided, the risks faced by the authority are many and varied. The Council is unable to manage all risks at a corporate level and so the main focus is on the significant risks to the council's objectives, known as the key corporate risks (KCRs).
 6. The corporate risk register is held on a system called Magique. The non KCR risks are specific to the directorates and consist of both strategic and operational risk. Operational risks are those which affect day to day operations and underpin the directorate risk register. All operational risk owners are required to inform the risk officer of any updates.
 7. In addition to the current KCRs, in line with the policy, risks identified by any of the Directorates can be escalated to Council Management Team (CMT) for consideration as to whether they should be included as a KCR. KCRs are reported quarterly to CMT.
 8. The Risk and Insurance Officer attends DMTs to update directorate risks.

Key Corporate Risk (KCR) update

9. There are currently 12 KCRs which are included at Annex A in further detail, alongside progress to addressing the risks.
10. Annex C is a one page summary of all the KCR's and their current gross and net risk ratings.
11. In summary the key risks to the Council are:
 - KCR1 – Financial Pressures: The Council's increasing collaboration with partnership organisations and ongoing government funding cuts will continue to have an impact on Council services
 - KCR2 – Governance: Failure to ensure key governance frameworks are fit for purpose.

- KCR3 – Effective and Strong Partnership: Failure to ensure governance and monitoring frameworks of partnership arrangements are fit for purpose to effectively deliver outcomes.
- KCR4 – Changing Demographics: Inability to meet statutory deadlines due to changes in demographics
- KCR5 – Safeguarding: A vulnerable child or adult with care and support needs is not protected from harm
- KCR6 – Health and Wellbeing: Failure to protect the health of the local population from preventable health threats.
- KCR7 – Capital Programme: Failure to deliver the Capital Programme, which includes high profile projects
- KCR8 - Local Plan: Failure to develop a Local Plan could result in York losing its power to make planning decisions and potential loss of funding
- KCR9 – Communities: Failure to ensure we have resilient, cohesive, communities who are empowered and able to shape and deliver services.
- KCR10 – Workforce Capacity: Reduction in workforce/ capacity may lead to a risk in service delivery.
- KCR11 – External market conditions: Failure to deliver commissioned services due to external market conditions.
- KCR12 – Major Incidents: Failure to respond appropriately to major incidents.

12. The risks in relation to Covid-19 affect most council services and have an impact on 11 out of 12 existing KCRs.

13. Risks are scored at gross and net levels. The gross score assumes controls are in place such as minimum staffing levels or minimum statutory requirements. The net score will take into account any additional measures which are in place such as training or reporting. The risk scoring matrix is included at Annex D for reference.

14. The following matrix categorises the KCRs according to their net risk evaluation. To highlight changes in each during the last quarter, the number of risks as at the previous monitor are shown in brackets.

Impact					
Critical					
Major			6 (6)	1 (0)	

Moderate		1 (1)	3 (5)	1 (1)	
Minor					
Insignificant					
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

15. By their very nature, the KCRs remain reasonably static with any movement generally being in further actions that are undertaken which strengthen the control of the risk further or any change in the risk score. In summary, key points to note are as follows;

- New Risks- No new risks have been added since the last monitor
- Increased Risks –KCR 1 Financial Pressures and KCR6 Health and Wellbeing have increased their net risk score since the last monitor
- Removed Risks – KCR13 Brexit has been removed since the last monitor
- Reduced Risks – No KCRs have reduced their net risk score since the last monitor

Updates to KCR risks, actions and controls

16. KCR1 – Financial Pressures. The gross risk score has increased from probable likelihood, major impact (20) to highly probable likelihood, major impact (21). The net risk score has increased from possible likelihood, moderate impact (14) to probable likelihood, major impact (20). A new control was added as the Financial Strategy 21/22 was approved by Council in February.

17. KCR2 – Governance. New controls have been added as follows;

- Ongoing Health and Safety Training programmes at all levels
- Ongoing regular review of internal audit reviews and recommendations
- Senior Information Risk Officer (SIRO) role has changed to Director of Governance and the relationship between the SIRO and the Caldicott Guardian is being strengthened

- Process for consistent completion of Data Protection Impact Assessments (DPIA) is being reviewed and will be circulated across the council
- Customer Complaints toolkit has been reviewed to be launched imminently

And new actions are as follows;

- Plans in development for the end of remote meetings from 7th May 2021 when remote meeting guidance legislation ends
- Delivery of a comprehensive member development programme covering all aspects of governance and decision making
- Member training is required in respect of the Code of Conduct and conflict of interests. The Council is considering the implementation of the Model Code issued by the LGA

18. KCR4 – Changing Demographics. Further risk recognising the impact of Covid-19 has on accentuating the risk of widening inequalities. Outstanding actions are now completed and including in controls.

19. KCR5 – Safeguarding. The Improvement Plan for Children’s social care is now in place and the Improvement Plan for Adult Social Care to be in place by the end of April 2021

20. KCR6 – Health and Wellbeing. The net risk score has increased from possible likelihood, moderate impact (14) to probable likelihood, moderate impact (15). The 2020 Director of Public Health Annual Report will have a focus on health protection including the response to COVID-19, provides an additional control.

21. KCR7 – Capital Programme. A new control was added as the Capital Strategy 21/22 was approved by Council in February.

22. KCR8 – Local Plan. A new control was added to note that the Corporate Director for Place and Assistant Director undertake weekly monitoring and management of the process.

23. KCR9 – Communities. New controls are included to recognise the new role of the Community hubs as agreed in Oct

2020 and appointment to the new role of Director Of Customers and Communities.

24. KCR10 Workforce/ Capacity. The control has been updated as the Organisational Development Plan replaces Workforce Strategy/ People Plan. There are addition controls including the set up of a Vacancy Control Group as a result of budgetary savings and to mitigate any compulsory redundancies and noting the improved frequency of informal and formal meetings with Trade Unions to improve communications and relationships. These are covered in further detail in Annex B.
25. KCR11 External Market Conditions. New controls are including attendance at Independent Care Group Provider Conference, the New Director of Commissioning post will improve proactive efforts in market development and market shaping and recognition that the Council's market position statement is up to date.
26. KCR13 Brexit. This risk has been removed since it is no longer considered a key corporate risk.

Options

27. Not applicable.

Council Plan 2019-2023

28. The effective consideration and management of risk within all of the council's business processes helps support achieving all eight of the key outcomes identified in the Council Plan.

Implications

29. There are no further implications.

Risk Management

30. 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

31. Audit and Governance Committee are asked to:
- (a) consider and comment on the key corporate risks included at Annex A, summarised at Annex C;
 - (b) consider and comment on the information provided in relation to KCR10 Workforce/Capacity included at Annex B;
 - (c) note that the 2020/21 Monitor 2 report will include a detailed analysis of KCR11 External Market Conditions;
 - (d) provide feedback on any further information that they wish to see on future committee agendas

Reason:

To provide assurance that the authority is effectively understanding and managing its key risks

Contact Details

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Report
Approved ✓

Date
24/03/21

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Wards Affected All

Annexes

- A – Key Corporate Risk Register
- B – Analysis of KCR10 Workforce/ Capacity
- C – Summary of Key Corporate Risks
- D - Risk Scoring Matrix

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2021**

KCR 1 FINANCIAL PRESSURES: The ongoing government funding cuts and more recently the impact of Covid will continue to have an impact on council services. Over the course of the last 10 years there has been a substantial reduction in government grants leading to significant financial savings delivered. The council needs a structured and strategic approach to deliver the savings in order to ensure that any change to service provision is aligned to the council's key priorities. In addition other partner organisations are facing financial pressures that impact on the council.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Reduction in government grants leading to the necessity to make savings</p> <p>Increased service demand and costs (for example an aging population).</p> <p>Financial pressures on other partners that impact on the council</p> <p>The spending review is one year only for 2021/22.</p> <p>Financial impact of Covid-19 on Council budgets</p> <p>Financial impact of Covid-19 on the economy as a whole</p> <p>Lack of resources to fully utilise Covid-19 government funding within set timescales, which are very short</p>	<p>Potential major implications on service delivery</p> <p>Impacts on vulnerable people</p> <p>Spending exceeds available budget</p> <p>Lack of long term funding announcements from central government creates uncertainty which hinders long term financial planning</p> <p>Lack of long term funding announcements from central government may impact on staff retention as it creates uncertainty for temporary posts funded by external funding</p> <p>Covid-19 will result in additional expenditure pressures (eg. Staff, PPE) and a shortfall in income (eg parking, commercial property), which are unlikely to be fully reimbursed by central government. This will result in potential short term</p>	Highly Probable (UPDATE)	Major (21)	<p>Regular budget monitoring</p> <p>Effective medium term planning and forecasting</p> <p>Chief finance officer statutory assessment of balanced budget</p> <p>Regular communications on budget strategy and options with senior management and politicians</p> <p>Skilled and resourced finance and procurement service, supported by managers with financial awareness</p> <p>Ongoing analysis of implications of Covid-19 through budget monitoring and realignment of resources</p> <p>Robust recording of Covid 19 expenditure for MHCLG should increase likelihood of receiving the maximum reimbursement from central government</p> <p>NEW: Financial Strategy 2021/22 approved</p>	Probable (UPDATE)	Major (20)	Increased score and new control	<p>UPDATE: Development of budget strategy for 2022/23 (Debbie Mitchell, 31/01/2022)</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2021**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
	<p>budget pressures which will need to be mitigated by a reduction or reprioritisation of spending or use of reserves. In the long term additional savings will be required and (NEW) use of reserves will reduce our financial resilience</p> <p>An economic downturn will affect the Council's main sources of funding; reducing business rates income if premises are vacant and reducing council tax income if more individuals require support due to unemployment</p>							

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2021**

KCR 2 GOVERNANCE: Failure to ensure key governance frameworks are fit for purpose. With the current scale and pace of transformation taking place throughout the organisation it is now more important than ever that the council ensures that its key governance frameworks are strong particularly those around statutory compliance including information governance, transparency and health and safety.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Increased interactions in relation to FOIA and transparency</p> <p>Failure to comply with data protection and privacy legislation</p> <p>Serious breach of health and safety legislation</p> <p>Failure to comply with statutory obligations in respect of public safety</p> <p>The initial response to Covid-19 required the Council to put in place urgent decision making guidance to ensure that decisions could be made rapidly, although there was no government guidance until 4 April.</p> <p>Response to Covid-19 has resulted in the requirement to conduct remote decision making meetings.</p>	<p>Increases in cases held or fines levied by Information Commissioner</p> <p>Failing to meet the legal timescales for responding to FOIA may result in reduced confidence in the council's ability to deal with FOIA and in turn, its openness and transparency</p> <p>Individuals will be at risk of committing criminal offences if they knowingly or recklessly breach the requirements of the GDPR legislation.</p> <p>Potential increased costs to the council if there are successful individual claims for compensation as a result of a breach of GDPR legislation.</p> <p>Impact on the end user/customer</p> <p>Public and staff safety may be put at risk</p> <p>Possible investigation by HSE</p>	Probable	Major (20)	<p>Electronic Communication Policy</p> <p>IT security systems in place</p> <p>Governance, Risk and Assurance Group (GRAG) covers a wide range of governance issues, including Covid-19 impacts</p> <p>Ongoing Internal Audit review of information security</p> <p>Health and Safety monitoring in place</p> <p>Regular monitoring reports to Audit & Governance committee and Executive Member decision sessions</p> <p>Open Data platform providing Freedom of Information (FOI) requested data</p> <p>Regular review of transparency code legislation and compliance</p> <p>Ongoing management of data architecture to provide de-personalised data to open data platform</p>	Possible	Major (19)	New actions and controls	<p>Review of Council constitution underway, to report to A&G and Council, (NEW) including a programme of officer and member training (Janie Berry)</p> <p>NEW: Plans in development for the end of remote meetings from 7th May 2021 when remote meeting guidance legislation ends (Janie Berry)</p> <p>NEW: Delivery of a comprehensive member development programme covering all aspects of governance and decision making</p> <p>NEW: Member training is required in respect of the Code of Conduct and conflict of interests. The Council is considering the implementation of the Model Code issued by the LGA</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2021**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
	<p>Prohibition notices might be served preventing delivery of some services</p> <p>Prosecution with potential for imprisonment if Corporate Manslaughter</p> <p>Adverse media/ social media coverage</p> <p>Reputational impact</p> <p>The new decision making protocols in response to Covid-19 must still be made in accordance with the Council's constitution and statutory framework</p> <p>Risk of litigation against any decisions taken during the 'emergency' Covid-19 period</p>			<p>Public Protection Annual Control Strategy</p> <p>Additional resource, training and improved processes to deal with FOIA requests</p> <p>A team was set up to ensure both Officers and Members could competently access and participate in remote meetings; and to deal with specific issues highlighted in the remote decision making risk assessment, NEW and is proposed to continue in the new constitution</p> <p>All officer and delegated decisions are reported publicly to Executive/ A&G to ensure transparency</p> <p>NEW: Ongoing Health and Safety Training programmes at all levels</p> <p>NEW: Ongoing regular review of internal audit reviews and recommendations</p> <p>NEW: SIRO role has changed to Director of Governance and the relationship between the Senior Information Risk Officer (SIRO) and the Caldicott Guardian is being strengthened</p>				

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>NEW: Process for consistent completion of Data Protection Impact Assessments (DPIA) is being reviewed and will be circulated across the council</p> <p>NEW: Customer Complaints toolkit has been reviewed to be launched imminently</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2021**

KCR 3 EFFECTIVE AND STRONG PARTNERSHIPS: Failure to ensure partnership arrangements are fit for purpose to effectively deliver outcomes. In order to continue to deliver good outcomes and services, the council will have to enter into partnerships with a multitude of different organisations whether they are public, third sector or commercial entities. The arrangements for partnership working need to be clear and understood by partners to ensure they deliver the best possible outcomes.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to effectively monitor and manage partnerships</p> <p>Partner (especially NHS, Academies) financial pressures may affect outcomes for residents</p> <p>Unilateral decisions made by key partners may effect other partners' budgets or services</p> <p>Financial pressure on York Teaching Hospitals NHS Foundation Trust (YTHFT) and Vale of York Clinical Commissioning Group (VOYCCG), which may have worsened further due to Covid-19</p>	<p>Key partnerships fail to deliver or break down</p> <p>Misalignment of organisations' ambitions and direction of travel</p> <p>Ability to deliver transformation priorities undermined</p> <p>Adverse impact on service delivery</p> <p>Funding implications</p> <p>Reputational impact</p>	Probable	Major (20)	<p>Account management approach to monitoring key partnerships. CMT identified the 60 organisations who have the most potential to influence or affect organisational aims and priority outcomes for residents, and monitors on a quarterly basis. Each Corporate Director and the Chief Executive lead on specific relationships.</p> <p>Internal co-ordination such as Creating Resilient Communities Working Group (CRCWG) meet regularly to understand which areas of the council are working with different partners and what is happening across these agendas.</p> <p>There were many positive examples that partnerships worked well together in the event of the Covid-19 emergency and successfully deals with issues; eg. the Outbreak Management Board is a non- decision making body which meets regularly; the YCAB partnership; collaboration with DoE</p>	Possible	Moderate (14)	No change	No current actions

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2021**

KCR 4 CHANGING DEMOGRAPHICS: Inability to meet statutory duties due to changes in demographics. York has a rapidly changing demographic in relation to both residents and business. This brings with it significant challenges particularly in the delivery of adult social care and children’s services. The council needs to ensure that community impacts are planned for and resourced.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Development and regeneration makes York more desirable and accessible to residents, students and business, resulting in increasing inward migration to York.</p> <p>An increase in the aging population requiring services from the council</p> <p>Increase in complexity of needs as people get older</p> <p>Increase in people living with dementia</p> <p>Increase in ethnic diversity of the population means that the council has to understand the needs of different communities in relation to how services are delivered</p> <p>Growing number of people with SEND or complex needs living into adulthood</p>	<p>Increased service demand from residents, including; statutory school placements, SEND, mental health, adult social care and environmental services (eg waste collection)</p> <p>Increased service demand in relation to business (eg Regulation, Planning)</p> <p>Impact of additional demands cause significant financial and delivery challenges, such as a rise in delayed discharges</p> <p>Reputational impact as these mainly impact high risk adult and children’s social care service areas</p> <p>Unable to recruit workers in key service areas eg care worker</p> <p>To ensure that decisions made in relation to Covid- 19 are taken with a recognition of the different impacts on certain demographics</p>	Probable	Major (20)	<p>Place planning strategy to ensure adequate supply of school places</p> <p>DfE returns and school population reported every 6 months</p> <p>Local area working structures in frontline services, including Early intervention initiatives and better self-care</p> <p>Assessment and Care management review complete, to better manage adult social care demand on CYC based on community led support</p> <p>Advice and Information Strategy complete, to provide residents with direct access to support and services, to better manage adult social care demand on CYC, resulting in the launch of Livewell York</p> <p>Investment in support brokerage work with NHS integrated commissioning</p> <p>Stakeholder and officer group, to create a more connected and integrated health and social care system.</p> <p>Officer caseload monitoring</p>	Possible	Major (19)	New Controls	No current actions

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Demographic of workforce supply unable to meet workforce demand</p> <p>Failure to plan for the impact of a rapid change in demographics to front line service provision</p> <p>The impact of Covid-19 may disproportionately affect certain demographics; eg BAME and the older community are more likely to suffer health issues, blue badge holders affected by city centre changes, younger people by job losses</p> <p>NEW: The impact of Covid-19 accentuates the risk of widening inequalities</p>				<p>Internal co-ordination such as Creating Resilient Communities Working Group (CRCWG)</p> <p>York Skills Plan</p> <p>The Education Planning Team have completed a review of demographic data to determine the impact on schools</p> <p>Community Impact Assessments are carried out before decision making</p> <p>NEW: Redesign and implementation of new arrangements for early help and prevention</p> <p>NEW: Ongoing analysis of the Local Plan and Major development projects demographic data to determine the impact on all CYC services.</p>				

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KCR 5 SAFEGUARDING: A vulnerable child or adult with care and support needs is not protected from harm. Ensuring that vulnerable adults and children in the city are safe and protected is a key priority for the council. The individual, organisational and reputational implications of ineffective safeguarding practice are acute.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to protect a child or vulnerable adult from death or serious harm (where service failure is a factor)</p> <p>Lower numbers of vulnerable children in school due to Covid-19 may increase the risk of the Council failing to protect a vulnerable child</p> <p>Potential for an increased demand on Children's and Adult services after Covid-19 measures are lifted</p> <p>A statutory breach of contact issues for vulnerable children due to Covid-19 restrictions</p>	<p>Vulnerable person not protected</p> <p>Children's serious case review or lessons learned exercise</p> <p>Safeguarding adults review</p> <p>Reputational damage</p> <p>Serious security risk</p> <p>Financial implications, such as compensation payments</p> <p>Financial and resource implications of an increase in demand once the Covid 19 measures are lifted</p>	Probable	Major (20)	<p>Safeguarding sub groups</p> <p>Multi agency policies and procedures</p> <p>Specialist safeguarding cross sector training</p> <p>Quantitative and qualitative performance management</p> <p>Reporting and governance to lead Member, Chief Executive and Scrutiny</p> <p>Annual self assessment, peer challenge and regulation</p> <p>Audit by Veritau of Safeguarding Adults processes</p> <p>Children's and Adults Safeguarding Boards (LSCB & ASB)</p> <p>Ongoing inspection preparation & peer challenge</p> <p>National Prevent process</p> <p>DBS checks and re-checks</p> <p>Effectively resourced and well managed service</p> <p>Annual Safeguarding Board annual plan</p>	Possible	Major (19)	New action and controls	NEW: Improvement Plan for Adult Social Care to address current budget pressures to be in place by the end of April 2021 (Amanda Hatton)

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>Controls implemented from peer review action plan</p> <p>Chief Officer Group which brings together Chief Officers from relevant organisations in relation to safeguarding eg police, CYC</p> <p>Children's Social Care records system is upgraded. This is monitored by a project board. Ongoing development is planned and awaiting costings.</p> <p>Ongoing work to ensure capacity is assured to enable any increase in demand to be met after Covid-19 restrictions are lifted</p> <p>Use of different methods of contact methods for vulnerable children, such as facetime, alongside working with the DoE and Ofsted</p> <p>NEW: Improvement Plan for Children's social care in place since 2020</p>				

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KCR 6 HEALTH AND WELLBEING: Failure to protect the health of the local population from preventable health threats through preventable control measures.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to protect the health of citizens against preventable disease by ensuring appropriate levels of vaccination, immunisation and screening.</p> <p>Failure to demonstrate we are meeting the new responsibilities from central government which include;</p> <ul style="list-style-type: none"> • Outbreak control plan • Governance structure • Independent assurance process <p>Government policy in relation to Covid-19 may prioritise the economy over public health and lift restrictions too soon</p> <p>NEW: The impact of the non or late diagnosis of health issues due to the impact of Covid-19 on health services</p>	<p>Likelihood of mass disease outbreaks</p> <p>Late diagnosis & delay in treatment of health conditions that could be identified earlier through routine screening e.g. breast & cervical cancer, diabetic sight loss</p> <p>Reduction in life expectancy</p>	Probable	Major (20)	<p>Liaison with NHS and Public Health England and development of plans to be able to make a large scale response e.g. Mass Treatment Plan.</p> <p>Health Protection Board recently established with good engagement across partners in local and regional meetings.</p> <p>Annual Health Protection Report to the Health and Wellbeing Board and Health & Adult Social Care Policy and Scrutiny Committee</p> <p>CYC Director of Public Health is co-chair with NHS England of the North Yorkshire & York Local Health Resilience Partnership.</p> <p>Internal audit of health protection governance has been completed giving reasonable assurance.</p> <p>Mass vaccination programme for flu and Covid</p> <p>The main focus of health protection since February 2020 being the public health response to the coronavirus pandemic. The Director of Public Health is leading the York response. An Outbreak Management Advisory Board</p>	Probable (UPDATE)	Moderate (15)	Increased score and new controls	The COVID-19 outbreak prevention, management and response will continue to be the main focus throughout 2020 and 2021/22 and until the pandemic is declared over. The Outbreak Control Plan is due for review in March 2021 (Sharon Stoltz, 31/3/21)

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>has been established together with a governance structure to oversee this work.</p> <p>The lessons learned from the peer review have been incorporated into the COVID-19 Outbreak Control Plan</p> <p>NEW: The 2020 Director of Public Health Annual Report will have a focus on health protection including the response to COVID-19.</p>				

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KCR 7 CAPITAL PROGRAMME: Failure to deliver the Capital Programme, which includes high profile projects. The capital programme currently has a budget of £615m from 2019/20 to 2023/24. The schemes range in size and complexity but are currently looking to deliver two very high profile projects, the Community Stadium and York Central, which are key developments for the city.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Complex projects with inherent risks</p> <p>Large capital programme being managed with reduced resources across the Council</p> <p>Increase in scale of the capital programme, due to major projects and lifting of borrowing cap for Housing</p> <p>Reduction in expenditure required due to budget pressures as a result of Covid-19 may reduce future capital programmes</p>	<p>Additional costs and delays to delivery of projects</p> <p>The benefits to the community are not realised</p> <p>Reputational Damage</p> <p>Pausing or stopping projects as a result of Covid-19 may create some compliance issues and may mean that existing projects require extensions</p>	Probable	Major (20)	<p>Project boards and project plans</p> <p>Regular monitoring of schemes</p> <p>Capital programme reporting to Executive and CMT</p> <p>Financial, legal and procurement support included within the capital budget for specialist support skills</p> <p>Project Management Framework</p> <p>Additional resource to support project management</p> <p>NEW: Capital Strategy 2021/22 to 2025/26 approved in Feb 2021</p> <p>NEW; Capital Programmes are sufficiently staffed to deliver to timescales</p> <p>Internal Audit Report gave reasonable assurance on project management arrangements</p> <p>Ongoing procurement and legal review to highlight any issues which may arise as a result of pausing projects due to Covid-19</p>	Possible	Moderate (14)	New action	NEW: Development of capital strategy for 2022/23 (Debbie Mitchell, 31/01/2022)

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2021**

KCR 8 LOCAL PLAN: Failure to develop a Local Plan could result in York losing its power to make planning decisions and potential loss of funding. The council has a statutory duty to develop a Local Plan, a city wide plan, which helps shape the future development in York over the next 20 years. It sets out the opportunities and policies on what will or will not be permitted and where, including new homes and businesses. The Local Plan is a critical part of helping to grow York's economy, create more job opportunities and address our increasing population needs.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to agree and adopt a Local Plan for the City.</p> <p>The Council has submitted the Draft Local Plan for Examination. This represents a significant milestone in the plan making process.</p> <p>The Draft Local Plan has started but not completed the Examination stage. There remains a risk that if the Plan fails this stage more work may be required and / or the plan has to be withdrawn by Council and submitted again after the evidence base has been updated. In these circumstances the overall risk score remains unchanged.</p>	<p>No adopted strategic development plan or framework to guide new development and to shape the city whilst protecting and enhancing the environment and heritage of York.</p> <p>Development proposals which are not in accordance with the Draft Plan may continue to be submitted as planning applications resulting in refusals of planning permission and an increase in planning appeals.</p> <p>There may be a negative impact on the council's strategic economic goals and the lack of an adopted Plan may have an adverse impact on investment in the city until there is a an adopted Local Plan which provides greater direction through land use allocations and policies which guide and direct development.</p> <p>Development processes and decision making is slowed down</p>	Probable	Major (20)	<p>The plan making process following national guidance, good practice and specialist legal advice.</p> <p>Continued close liaison with:</p> <ul style="list-style-type: none"> • MHCLG, • Planning Advisory Services • Planning Inspectorate • The appointed planning Inspectors. <p>The Local Plan Working Group (LPWG) , the Executive and full Council have all been engaged in the plan making process at appropriate stages and before submission of Draft Local Plan for Examination</p> <p>NEW: Corporate Director for Place and Assistant Director weekly monitoring / management of the process</p> <p>NEW: Additional resources to ensure delivery within timescales</p>	Possible	Major (19)	New Control	Ongoing action - Monitoring of controls (Mike Slater, 31/03/2021)

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KEY CORPORATE RISK REGISTER AT MARCH 2021**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions

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KCR 9 COMMUNITIES: Failure to ensure we have resilient, cohesive, communities who are empowered and able to shape and deliver services. The council needs to engage in meaningful consultation with communities to ensure decisions taken reflect the needs of residents, whilst encouraging them to be empowered to deliver services that the council is no longer able to do. Failing to do this effectively would mean that services are not delivered to the benefit of those communities or in partnership.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to effectively engage with the communities we serve</p> <p>Failure to contribute to the delivery of safe communities</p> <p>Failure to effectively engage stakeholders (including Members and CYC staff) in the decision making process</p> <p>Failure to manage expectations</p> <p>Communities are not willing/able to fill gaps following withdrawal of CYC services</p> <p>Lack of cohesion in the planning and use of CYC and partner community based assets in the city</p>	<p>Lack of buy in and understanding from stakeholders</p> <p>Alienation and disengagement of the community</p> <p>Relationships with strategic partners damaged</p> <p>Impact on community wellbeing</p> <p>Services brought back under council provision – reputational and financial implications</p> <p>Budget overspend</p> <p>Create inefficiencies</p> <p>Services not provided</p> <p>Poor quality provision not focused on need, potential duplication, ineffective use of resources, difficulty in commissioning community services e.g. Library services</p>	Probable	Major (20)	<p>Creating Resilient Communities Working Group (CRCWG)</p> <p>New service delivery models, including Local Area Teams. Local Authority Co-ordination Neighborhood Working</p> <p>Revised Community Safety Plan</p> <p>Devolved budgets to Ward Committees and delivery of local action plans through ward teams</p> <p>Improved information and advice, Customer Strategy and ICT support to facilitate self service</p> <p>CYC Staff and Member training and development</p> <p>The July 2019 supplementary budget provided additional resources to the safer community fund and community engagement officer</p> <p>Community Safety Strategy approved on 2 March 2020 covering the period 2020-2023</p> <p>Community Hubs set up to distribute food and medicine and provide shielding support</p>	Possible	Major (19)	New controls	<p>Develop a Community Engagement Strategy (Pauline Stuchfield, 30/4/2021) NEW DATE</p>

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>Helpline – phone and inbox 7 days a week including bank holidays</p> <p>Covid-19 crisis funds to help the financially vulnerable</p> <p>NEW: New role of the Community hubs as agreed in Oct 2020</p> <p>NEW: New management structure (Mar 2021) appoints Director Of Customers and Communities</p>				

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KCR 10 WORKFORCE/ CAPACITY: Reduction in workforce/ capacity may lead to a risk in service delivery. It is crucial that the council remains able to retain essential skills and also to be able to recruit to posts where necessary, during the current periods of uncertainty caused by the current financial climate and transformational change. The health, wellbeing and motivation of the workforce is therefore key in addition to skills and capacity to deliver.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>The necessity to deliver savings has resulted in a reduced workforce requiring new and specialist skills</p> <p>Recruitment and retention difficulties as the council may be seen as a less attractive option than the private sector</p> <p>Lack of succession planning</p> <p>HR Policies may not be consistent with new ways of working (eg remuneration policy)</p> <p>Uncertainty around long term funding from central government.</p> <p>Staff with EU citizenship may leave</p> <p>Adjustment to the new ways of working as a result of Covid-19 eg home</p>	<p>Increased workloads for staff</p> <p>Impact on morale and as a result, staff turnover</p> <p>Inability to maintain service standards</p> <p>Impact on vulnerable customer groups</p> <p>Reputational damage</p> <p>Single points of failure throughout the business</p> <p>Lack of long term funding announcements from central government may impact on staff retention as it creates uncertainty for temporary posts funded by external funding</p> <p>Potential recruitment issues if staff with EU citizenship leave and are difficult to replace.</p>	Probable	Major (20)	<p>NEW: Organisational Development Plan (replaces Workforce Strategy/ People Plan)</p> <p>Stress Risk Assessments</p> <p>PDRs</p> <p>Comprehensive Occupational Health provision including counseling</p> <p>HR policies e.g. whistleblowing, dignity at work</p> <p>Development of coaching/ mentoring culture to improve engagement with staff</p> <p>Corporate Cost Control Group monitoring of absence and performance reporting</p> <p>Apprenticeship task group</p> <p>Agency and Interim Staffing Policies</p> <p>Absence Management Policies</p> <p>Substance Misuse Policy</p>	Possible	Moderate (14)	New Controls	Ongoing action: Review of HR policies to ensure they complement the new ways of working in the future (Trudy Forster 31/03/21)

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>working, use of PPE, increased lone working due to need to social distance</p> <p>Additional workload due to Covid-19</p> <p>Reduction in posts due to restructures required to achieve budget savings</p>	<p>NEW: Impact on the health & wellbeing of staff has been and will be significant and may increase early retirements and leavers. Due to</p> <ul style="list-style-type: none"> • Remote working (working from home) can have a negative impact on wellbeing. • Work life balance – unable to separate work from home due to work being carried out within the home • Juggling childcare and working hours • Supporting home schooling for children <p>However many staff may see an increase in their Health & Well Being due to more agile working. Having greater flexibility between work and home life. As we are able to start returning to the office in a covid secure way it is expected that this will have an increase in Health & Well Being. Although it should be noted staff absence figures have fallen during this period.</p> <p>More agile and flexible working may also result in increased retention of staff and increase the attraction of</p>			<p>The council has signed up to a pledge to become a Time to Change Employer with a focus on mental health. As this changes from Time to Change we are looking at the continued mechanisms to support good mental health.</p> <p>A Workplace Health & Wellbeing Group has been established with staff & trade union representation which is chaired by the Head of HR.</p> <p>A staff health & wellbeing survey has been undertaken & this is being followed up by staff focus groups.</p> <p>Increase in regulatory compliance to protect the workforce eg Health and Safety regulations, working time directives</p> <p>Increase in Living wage</p> <p>Engagement with staff that had concerns about the EU settlement Scheme for European Citizens and offer of support through York Learning, Registrars and Citizens' Advice Bureau</p> <p>Joint Health and Safety Board and regular review of support for staff</p> <p>NEW: Vacancy Control Group set up as a result of budgetary savings and to mitigate any compulsory redundancies</p>				

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
	candidates for vacant positons.			<p>NEW: Improved frequency of informal and formal meetings with Trade Unions to improve communications and relationships</p> <p>NEW: Staff questionnaire about returning to the workplace and impact on their health & well being</p> <p>ADDITIONS: Increased help and awareness of staff wellbeing and mental health as a result of the new ways of working during Covid-19 including Covid secure workspace, provision of PPE, establishment of office readiness group, regular communication and information sessions, advice, risk assessments, help with home office and ICT equipment, absence systems, symptom free testing and vaccinations, close working with Public Health.</p>				

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KCR 11 EXTERNAL MARKET CONDITIONS: Failure to deliver commissioned services due to external market conditions.
 The financial pressures experienced by contracted services (in particular Adult Social Care providers) as a result of increases to the living wage and Covid-19 could put the continued operation of some providers at risk. The Council has a duty to ensure that there is a stable/diverse market for social care services delivery to meet the assessed needs of vulnerable adults/children.
 Some services provided by the Council cannot be provided internally (eg Park and Ride) and must be commissioned. External market conditions such as the number of providers willing to tender for services may affect the Council's ability to deliver the service within budget constraints.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Increases to the national living wage.</p> <p>Recruitment and retention of staff</p> <p>If failure occurs, the Council may remain responsible for ensuring the needs of those receiving the service continue uninterrupted.</p> <p>Providers may go out of business as a result of Covid-19</p> <p>Many sectors under financial pressure due to Covid-19 (reductions in income or increase in expenditure)</p>	<p>Vulnerable people do not get the services required or experience disruption in service provision</p> <p>Safeguarding risks</p> <p>Financial implications: Increased cost of alternative provider Increased cost if number of providers are limited</p> <p>Reputational damage</p>	Unlikely	Major (18)	<p>Clear contract and procurement measures in place</p> <p>Ongoing review of operating and business models of all key providers and putting further mitigation in place, such as more robust contract monitoring and commissioning some 'enhanced' credit checks</p> <p>CYC investment in extra care OPHs has reduced recruitment pressure</p> <p>Revised SLA with independent care group and quarterly monitoring meetings with portfolio holder</p> <p>Increase in homecare fees to reflect actual cost of care</p> <p>Local policies in place for provider failure</p> <p>Short term financial assistance from Covid-19 pressures through supplier reliefs and government grants to business</p>	Unlikely	Moderate (13)	New controls	No current actions

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>NEW: Ongoing attendance at Independent Care Group Provider Conference</p> <p>NEW: New Director of Commissioning post will improve proactive efforts in market development and market shaping</p> <p>NEW: The Council's market position statement is up to date</p>				

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KCR 12 MAJOR INCIDENTS: Failure to respond appropriately to major incidents. Local Authorities are required by law to make preparations to deal with emergencies. Local Authorities have four main responsibilities in an emergency 1. to support the Emergency Services, 2. to co-ordinate non-emergency organisations, 3. to maintain their own services through a robust Business Continuity Management process and 4. to facilitate the recovery of the community. The Council must ensure that its resources are used to best effect in providing relief and mitigating the effects of a major peacetime emergency on the population, infrastructure and environment coming under its administration. This will be done either alone or in conjunction with the Emergency Services and other involved agencies, including neighbouring authorities.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>An uncoordinated or poor response to a major incident such as:</p> <ul style="list-style-type: none"> • Flood • Major Fire • Terrorist Attack • Civil Unrest in relation to political issues such as Brexit • Local lockdown due to Covid-19 	<p>Serious death or injury</p> <p>Damage to property</p> <p>Reputational damage</p> <p>Potential for litigation</p> <p>Potential for corporate manslaughter charges if risks are identified and proposed actions not implemented</p>	Probable	Catastrophic (24)	<p>Emergency planning and Business Continuity Plans in place and regularly reviewed</p> <p>Strong partnerships with Police, Fire, Environment Agency and other agencies</p> <p>Support to Regional Resilience forums</p> <p>Support and work in partnership with North Yorkshire local resilience forums</p> <p>Investment in Community Resilience (re Flooding)</p> <p>Work with partners across the city to minimise the risk of a terrorist attack</p> <p>Implemented physical measures for certain events</p> <p>Review of city transport access measures</p>	Possible	Major (19)	No change	<p>Ongoing action: Regular review of emergency and business continuity plans (Neil Ferris, 31/3/21)</p> <p>Improvements to enhance flood protection (The Environment Agency)</p>

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				Development of the local outbreak control plan and a variety of internal recovery strategies				

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Analysis of Key Corporate Risk 10 – Reduction in workforce/ capacity may lead to a risk in service delivery.

1. This Annex provides a more detailed analysis of KCR10: Reduction in workforce/ capacity may lead to a risk in service delivery.
2. It is crucial that the council remains able to retain essential skills and also to be able to recruit to posts where necessary, during the current periods of uncertainty caused by the current financial climate and transformational change. The health, wellbeing and motivation of the workforce is therefore key in addition to skills and capacity to deliver.
3. The council is committed to work with the trade unions and staff to ensure where there is organisational change and a potential reduction in posts that we actively seek to find suitable alternative employment in order to mitigate compulsory redundancy. This may include staff volunteering to go and other staff being reskilled to fill those vacant roles.
4. Additional temporary resource has been identified within HR to manage this process and have a joined up approach across the council to ensure we mitigate compulsory redundancy wherever possible.

Risk Details

5. The risk details are:
 - The necessity to deliver savings has resulted in a reduced workforce requiring new and specialist skills
 - This continues to be an area of focus across the council as we progress with further reductions in posts to make the necessary budget savings. We will where possible mitigate compulsory redundancies through the HR processes, as a council we need to ensure we retain skilled staff and consider how we can re-skill staff potentially using the apprentice levy to support this.
 - Recruitment and retention difficulties as the council may be seen as a less attractive option than the private sector
 - There are specific roles in which the council struggles to attract however that is a wider issue across the sector, such as social care workers. It is hoped with the more agile

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Analysis of Key Corporate Risk 10 – Reduction in workforce/ capacity may lead to a risk in service delivery.

working arrangements that we may be able to attract from a wider recruitment pool than what was there previously as a result of changes to working environment.

- More flexible and agile working arrangements, similar to those experienced in the private sector will attract more candidates to vacant posts.
- The more flexible and agile working is expected to retain staff.
- Lack of succession planning
 - This is a risk as the organisation is small. We are looking at developing career pathways in certain areas to develop staff and retain them with the opportunity to progress through the grades.
 - Developing our leaders is an area of priority across the council which will building on a foundation of skills needed to work in the council.
- HR Policies may not be consistent with new ways of working (e.g. remuneration policy)
 - We are continually reviewing our HR policies to ensure they are fit for purpose and working closely with the trade unions. There is limited flexibility in some of the pay policies due to the budgetary constraints within local government.
- Uncertainty around long term funding from central government.
 - This links to budget savings and potential impact on posts. When you recruit to temporary roles, linked to funding, there is always the impact of people in those roles who may not like the uncertainty, however some people actually prefer shorter term contracts and therefore we do fill temporary posts.
 - Funding in local government is a national issue and staff working in or thinking of working in are often aware of this. Our HR policies and practices as described throughout this documents ensures that where possible we mitigate any compulsory redundancies linked to changes in staffing structures.
- Staff with EU citizenship may leave
 - Whilst this is listed as a risk for the council to be aware of there is no indication form staff with EU citizenship that they will be leaving.

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Analysis of Key Corporate Risk 10 – Reduction in workforce/ capacity may lead to a risk in service delivery.

- Adjustment to the new ways of working as a result of Covid-19 e.g. home working, use of PPE, increased lone working due to need to social distance
 - The staff have come a long way in the past 12 months and have made significant changes to their working practices. This is a credit to all staff and their ability to continue to deliver the services to our residents. This is an achievement and something that the council is proud of.
 - The adverse effects of working remotely and lone working etc. should not be underestimated and we are doing a significant amount of work on our Health & Wellbeing agenda which will support our staff.
 - The advantages to more flexible and agile working are to be embraced, working with staff and trade unions to identify future working practices and working environments that support this.
- Additional workload due to Covid-19
 - We are aware of the additional workload that many staff have had due to the pandemic and this increased workload may continue in some areas for the foreseeable future.
 - Workforce fatigue is an area that we need to focus on and link this to the Health & Well Being agenda.
 - Staff were temporarily redeployed across the council during the pandemic and additional resource was brought into areas where this was required, such as Public Health.
- Recruitment and retention difficulties across social care (adults and Childrens) as a result of Covid and the competition for qualified staff across Health and Social care.
 - As mentioned above this is a key area of where we are struggling to attract staff. It is a highly competitive market and qualified staff are moving freely between authorities. The People Directorate are doing a significant amount of work looking at the workforce retention and attraction.
- Reduction in posts due to budget savings required as a result of Covid-19
 - This links to bullet point 1
- Staff who are clinically extremely vulnerable unable to work
 - Staff in this group have had to shield for a considerable amount of time over the past year, and if their role has been

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Analysis of Key Corporate Risk 10 – Reduction in workforce/ capacity may lead to a risk in service delivery.

unable to be carried out from home then they have not worked. Please note their pay was unaffected, however these individuals were keen to work. In some instances we may have given them work to do, however about 8 people have been unable to work. As this has only been a small number the risk to service provision is low. Managers have worked closely with these individuals and supported them. As soon as they have been able to return the necessary risk assessments have been put in place and they have returned safely.

- Staff having to home school and provide childcare
 - This has required staff and services to be more flexible in their approach to work and the times that they have been available for work. There has been a considerable amount of flexibility ensuring that staff have been able to balance their childcare commitments with the service demands.

Implications

6. The potential implications for the Council include:

- Increased workloads for staff
- Impact on morale and as a result, staff turnover
- Inability to maintain service standards
- Impact on vulnerable customer groups
- Reputational damage
- Single points of failure throughout the business
- Lack of long term funding announcements from central government may impact on staff retention as it creates uncertainty for temporary posts funded by external funding
- Potential recruitment issues if staff with EU citizenship leave and are difficult to replace

7. Additional implications now identified:

- Impact on the health & wellbeing of staff has been and will be significant.
 - Remote working (working from home) can have a negative impact on wellbeing.

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Analysis of Key Corporate Risk 10 – Reduction in workforce/ capacity may lead to a risk in service delivery.

- Work life balance – unable to spate work from home due to work being carried out within the home
- Juggling childcare and working hours
- Supporting home schooling for children
- Remote working and flexible practices has had a positive impact on staff health& well being, some staff have thrived on the ability to juggling work life balance more flexibly
- Impact on mental health, both good and bad

Controls

8. The controls in place include:

- Organisational Development Plan
 - The OD plans sets out the focus of the council's commitment to its staff, in which there are 7 themes.
- Stress Risk Assessments
 - Stress risk assessments are used where we are aware staff are experiencing high levels of stress and should be used where we know there are high workloads to identify is any measures can be identified to mitigate the risk
- PDRs
 - PDR's (appraisals) are used to set objectives and give the opportunity for staff and managers to speak about performance and progress.
- Comprehensive Occupational Health provision including counselling
 - Where staff have medical issues, physical or mental, we are able to refer to OH and the employee assistance programme to provide advice and guidance. This should allow us to retain the member of staff in the workplace or return them to work as soon as possible.
- HR policies e.g. whistleblowing, dignity at work
 - HR Polices are key to ensure that staff are treated fairly and consistently. Providing guidance for managers and staff in dealing with HR issues.
- Development of coaching/ mentoring culture to improve engagement with staff
 - This is an area which has been on hold for the last year, but an area to consider better use of going forward. This would

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Analysis of Key Corporate Risk 10 – Reduction in workforce/ capacity may lead to a risk in service delivery.

link into the health & wellbeing agenda for the council for its staff.

- Corporate Cost Control Group monitoring of absence and performance reporting
 - By regularly monitoring spend across the workforce trends can be identified. Where there is an identification of a specific issue then some focussed work and time from HR and managers goes into that area.
- Apprenticeship task group
 - This group looks at ways we can increase access to the apprenticeships both as internal staff accessing for development and new start apprenticeships. This links to the development of staff and therefore the retention of staff in the council.
- Agency and Interim Staffing Policies
 - There is control over the use of agency and temporary staff. There is always a time where this is needed to ensure that service delivery is maintained. During covid there has been an increased use of agency arrangements, to cover many of the roles in public health to support the delivery of testing across the city.
- Absence Management Policies
 - These policies and process are key to ensure that our staff who are unwell to attend work are correctly supported, with the intention to support the individual to return to work as soon as possible.
- Substance Misuse Policy
- The council has signed up to a pledge to become a Time to Change Employer with a focus on mental health.
 - The council has prioritised the health & wellbeing of staff and especially mental health. This was prior to covid but even more so now as a result of increased isolation across the nation.
- A Workplace Health & Wellbeing Group has been established, prior to Covid this was led by Public Health. This was paused for some time due to the covid response but has been re-established with staff & trade union representation and is chaired by the Head of HR, with Public Health & Health & Safety in attendance.

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Analysis of Key Corporate Risk 10 – Reduction in workforce/ capacity may lead to a risk in service delivery.

- A staff health & wellbeing survey has been undertaken & this is being followed up by staff focus groups.
- Increase in regulatory compliance to protect the workforce e.g. Health and Safety regulations, working time directives
- Increase in Living wage
- Engagement with staff that had concerns about the EU settlement Scheme for European Citizens and offer of support through York Learning, Registrars and Citizens' Advice Bureau
- Joint Health and Safety Board and regular review of support for staff
- Vacancy Control Group
 - Additional controls over vacancies to be recruited to as a result of budgetary savings and to mitigate any compulsory redundancies.
 - Additional controls on temporary vacancies to control costs.
- Informal and formal meetings with the Trade Unions
 - An excellent working relationship with the trade unions and increased communication with them through informal meetings.
 - Formal trade union meetings DCNC and CCNC continue (Directorate Consultative/Negotiating committee and Corporate Consultation/Negotiating committee)

9. As well as the above list there has been significant additional controls being put in place since the start of covid to ensure staff are supported and ultimately to retain staff to provide key services to the council. These include:

- Covid secure workplaces
 - In line with government guidance, workplaces across the council implemented measures that ensured they were covid secure. Some of the buildings were open from the start of the pandemic others opened as restrictions lifted during 2020.
 - H&S support managers and premise managers to ensure controls are in place.
 - Staff are able to return to workplaces following approval by the Office Readiness group. This is to ensure the correct support is in place when staff are returning, monitoring

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Analysis of Key Corporate Risk 10 – Reduction in workforce/ capacity may lead to a risk in service delivery.

numbers and ensuring cleaning regimes are in place in areas that are used.

- Provision of PPE
 - Very early in the pandemic PPE was sourced led by Public Health. PPE guidance was provided and where required following the risk assessment staff were provided with PPE. Staff have continued to be provided with PPE in line with their role and risk assessment.
- Risk Assessments
 - Risk assessments are key to ensuring a safe work environment in which staff can do their job. Guidance and updated risk assessments were provided for staff and managers to complete.
 - These risk assessments were updated following every government change throughout the pandemic.
- HR & Resourcing Workstream group and Office Readiness Group were established and chaired by Head of HR.
 - Attendance was from each Directorate, Public Health, Health & Safety, HR and Trade Unions.
 - These meetings have provided a great opportunity to share best practice, disseminate information and obtain intelligence from representatives.
 - We have been able to agree messaging and get decisions quickly that impact on the workforce.
- Increased staff communications
 - Daily and now twice a week communications from the Chief Operating Officer provide staff with key information including signposting to help with Health & Well Being.
- Regular staff information sessions
 - These sessions are led by the Chief Operating Officer and key staff from Public Health, HR & IT have provided updates to staff and the opportunity for staff to ask questions direct.
 - Over 500 staff have participated in these sessions and they continue to run.
- Provision of IT equipment and other workstation equipment to staff
 - This provision of equipment to staff to support them working more flexibly including home working. This commenced immediately in March 2020 to ensure the council could continue to provide services to residents.

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Analysis of Key Corporate Risk 10 – Reduction in workforce/ capacity may lead to a risk in service delivery.

- Provision of mobile phones to front line staff in waste services is allowing the organisation the opportunity to engage with these staff.
- Continue wellbeing surveys.
 - We have carried out two surveys now, publishing results and auctioning recommendations from the survey.
- Health & Well Being
 - Health & Well Being line for staff to talk direct to HR
 - Buddy System
 - Sign posting of key information in weekly messages
 - Launch of Keeping Well 2021 to support the councils drive in Health & Well Being. The launch included access to free wellbeing sessions such as Yoga and Sleep Well. These were provided through York Learning and supported through money from the Lottery Committee.
- Day One Absence system
 - The day one absence system has provided real time information to HR throughout the pandemic. This has been vital in our local track and trace with public health. Being able to speak immediately to any member of staff who reports absence with covid related symptoms.
- Close working with Public Health
 - This is through the internal track and trace process, guidance and advice, integration of public health in HR led meetings.
- Provision of symptom free testing and Vaccinations
 - Led by Public Health with the aim to keep the workforce available and protect vulnerable residents
- Workplace Readiness
 - Looking at new ways of working, learning from the more agile working patterns we have used in 2020 and identifying the best fit for the organisation going into 2021/2020 and coming out of covid. A great opportunity to get the balance right and use of workplaces in a more efficient manner to suit the service delivery.

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KEY CORPORATE RISK REGISTER SUMMARY

Key Corporate Risk	Gross Likelihood	Gross Impact	Gross Score	Net Likelihood	Net Impact	Net Score
KCR1 Financial Pressures	Highly Probable	Major	21	Probable	Major	20
KCR2 Governance	Probable	Major	20	Possible	Major	19
KCR3 Effective and Strong Partnerships	Probable	Major	20	Possible	Moderate	14
KCR4 Changing Demographics	Probable	Major	20	Possible	Major	19
KCR5 Safeguarding	Probable	Major	20	Possible	Major	19
KCR6 Health and Wellbeing	Probable	Major	20	Probable	Moderate	15
KCR7 Capital Programme	Probable	Major	20	Possible	Moderate	14
KCR8 Local Plan	Probable	Major	20	Possible	Major	19
KCR9 Communities	Probable	Major	20	Possible	Major	19
KCR10 Workforce/ Capacity	Probable	Major	20	Possible	Moderate	14
KCR11 External Market Conditions	Unlikely	Major	18	Unlikely	Moderate	13
KCR12 Major Incidents	Probable	Catastrophic	24	Possible	Major	19

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Annex D- Risk Matrix

		Likelihood				
		Remote	Unlikely	Possible	Probable	Highly Probable
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

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Audit & Governance Committee – draft work plan

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

Theme	Item	Lead officers	Scope
28 April 2021			
Governance	Review of the Constitution	<u>CYC</u> Janie Berry	
June 2021			
Finance	Draft Statement of Accounts incl. Annual Governance Statement	<u>CYC</u> Emma Audrain/ Debbie Mitchell	To present the draft Statement of Accounts to the Committee prior to the 2020/21 Audit including the Annual Governance Statement
Governance	Monitoring Officer's update	<u>CYC</u> Janie Berry	
Finance	Treasury Management Outturn Report	<u>CYC</u> Emma Audrain/ Debbie Mitchell	To provide Members with an update on the Treasury Management Outturn position for 2020/21.
Risk	Key Corporate Risks Monitor 1	<u>CYC</u> Sarah Kirby	Update on Key Corporate Risks (KCRs) including: KCR 11 – Major Incidents
External Audit	Mazars Audit Progress Report (if required)	<u>Mazars</u> Mark Kirkham, Mark Dalton	Update report from external auditors detailing progress in delivering their responsibilities as the Council's external auditors
Internal Audit	Annual Report of the Head of Internal Audit	<u>Veritau</u> Max Thomas/ Richard Smith	This report will summarise the outcome of audit and counter fraud work undertaken in 2020/21 and provide an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and internal control
July 2021			
External Audit	Mazars Audit Completion Report	<u>Mazars</u> Mark Kirkham	Report from the Councils external auditors setting out the findings of the 2020/21 Audit.
Finance	Final Statement of Accounts	<u>CYC</u> Emma Audrain/	To present the final audited Statement of Accounts following the 2020/21 Audit.

		Debbie Mitchell	
Governance	Monitoring Officer's update	<u>CYC</u> Janie Berry	
Governance	Corporate Governance Report	<u>CYC</u> Lorraine Lunt	To provide Members with an update on current information governance issues.
Sept 2021			
External Audit	Mazars Annual Audit Letter	<u>Mazars</u> Mark Kirkham	Report from the Councils external auditors setting out the findings of the 2020/21 Audit.
Risk	Key Corporate Risks monitor 2	<u>CYC</u> Sarah Kirby	Update on Key Corporate Risks (KCRs) including: KCR 12
Internal Audit	Internal Audit & Fraud Plan & Progress report	<u>Veritau</u> Max Thomas/ Richard Smith	An update on progress made in delivering the internal audit work plan for 2020/21 and on current counter fraud activity. Including reporting on progress made by council departments in implementing actions agreed as part of internal audit work
Governance	Monitoring Officer's update	<u>CYC</u> Janie Berry	
Governance	Corporate Governance Report	<u>CYC</u> Lorraine Lunt	To provide Members with an update on current information governance issues.
Dec 2021			
Risk	Key Corporate Risks monitor 3	<u>CYC</u> Sarah Kirby	Update on Key Corporate Risks (KCRs) including: KCR 13
External Audit	Mazars Audit Progress (if required)	<u>Mazars</u> Mark Kirkham	Update report from external auditors detailing progress in delivering their responsibilities as the Council's external auditors
Finance	Treasury Management Mid-year review 20/21 and review of prudential indicators	<u>CYC</u> Debbie Mitchell	To provide an update on treasury management activity for the first six months of 2020/21
Governance	Monitoring Officer's update	<u>CYC</u> Janie Berry	
Governance	Corporate Governance Report	<u>CYC</u> Lorraine Lunt	To provide Members with an update on current information governance issues.
Internal Audit	Internal Audit & Fraud Plan & Progress report	<u>Veritau</u> Max Thomas/ Richard Smith	An update on progress made in delivering the internal audit work plan for 2020/21 and on current counter fraud activity. Including reporting on progress made by council departments in implementing actions agreed as

			part of internal audit work
April 2022			
Risk	Key Corporate Risks monitor 4	<u>CYC</u> Sarah Kirby	Update on Key Corporate Risks (KCRs)
External Audit	Mazars Audit Progress (if required)	<u>Mazars</u> Mark Kirkham	Update report from external auditors detailing progress in delivering their responsibilities as the Council's external auditors

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