

Notice of a public meeting of

Audit and Governance Committee

To:	Councillors Hollyer (Chair), J Burton (Vice-Chair), Fisher, Merrett, Rose, Coles, Vassie and Binney (Independent Member)
Date:	Wednesday, 11 March 2026
Time:	5.30 pm
Venue:	West Offices - Station Rise, York YO1 6GA

AGENDA

1. **Apologies for Absence**

To receive and note apologies for absence.

2. **Declarations of Interest** (Pages 7 - 8)

At this point in the meeting, Members and co-opted members are asked to declare any disclosable pecuniary interest, or other registerable interest, they might have in respect of business on this agenda, if they have not already done so in advance on the Register of Interests. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

[Please see attached sheet for further guidance for Members].

3. Exclusion of Press and Public

To consider the exclusion of the press and public from the meeting during consideration of the following:

Annex 2-9 to Agenda Item 14 on the grounds that it contains information relating to Information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

4. Minutes & Action Log (Pages 9 - 22)

To approve and sign the minutes of the meeting held on 28 January 2026.

5. Public Participation

At this point in the meeting members of the public who have registered 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 our registration deadlines are set as 2 working days before the meeting, in order to facilitate the management of public participation at our meetings. The deadline for registering at this meeting is 5:00pm on Monday 9 March 2026.

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 this agenda.

Webcasting of Public Meetings

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

6. External Audit Completion Report follow up 2024-25

Report to follow.

7. Key Corporate Risks monitor 4 (Pages 23 - 68)

The purpose of this report is to present the Committee with an update on the key corporate risks for City of York Council.

8. Update on Major Projects (Pages 69 - 100)

This report has been prepared to allow the committee to consider the contract management: major project delivery final audit report alongside external audit's 2024/25 audit completion report and the Key Corporate Risks Monitor 3.

9. Revised Joint Standards Committee Procedures and Associated Amendments (Pages 101 - 114)

This report provides the Committee with the revised Joint Standards Committee Procedures to note and endorse, and to highlight required associated constitutional amendments to the committee for consideration and discussion.

10. Counter Fraud Plan 2026/27 (Pages 115 - 140)

This report sets out counter fraud work planned for 2026/27. It contains an updated fraud risk assessment, an assessment of counter fraud work at the council against national counter fraud good practice, and an annual counter fraud development plan and work plan.

11. Counter Fraud Progress Report 2025/26 (Pages 141 - 154)

This report provides an update on counter fraud work undertaken so far in 2025/26.

12. Internal Audit Work Programme 2026/27 (Pages 155 - 170)

This report seeks the committee's approval for the indicative programme of internal audit work to be undertaken in 2026/27.

13. Audit and Governance Committee Work Plan (Pages 171 - 172)

To consider the committee's work plan.

14. Internal Audit Progress Report 2025/26 (Pages 173 - 294)

This report provides an update on the delivery of the internal audit work programme for 2025/26, and plans for delivery over the remainder of the year.

15. Urgent Business

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

Democracy Officer:

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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)

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
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Contact details are set out above.

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Declarations of Interest – guidance for Members

- (1) Members must consider their interests, and act according to the following:

Type of Interest	You must
Disclosable Pecuniary Interests	Disclose the interest, not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.
Other Registrable Interests (Directly Related) OR Non-Registrable Interests (Directly Related)	Disclose the interest; speak on the item <u>only if</u> the public are also allowed to speak, but otherwise not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.
Other Registrable Interests (Affects) OR Non-Registrable Interests (Affects)	Disclose the interest; remain in the meeting, participate and vote <u>unless</u> the matter affects the financial interest or well-being: (a) to a greater extent than it affects the financial interest or well-being of a majority of inhabitants of the affected ward; and (b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest. In which case, speak on the item <u>only if</u> the public are also allowed to speak, but otherwise do not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.

- (2) Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.
- (3) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations,

and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.

City of York Council

Committee Minutes

Meeting	Audit and Governance Committee
Date	28 January 2026
Present	Councillors Fisher, Merrett, Rose, Healey (Substitute), Orrell (Substitute), Whitcroft (Substitute), Baxter, and Binney (Independent Member)
In Attendance	Bryn Roberts – Director of Governance Debbie Mitchell – Director of Finance Garry Taylor – Director of City Development Patrick Looker – Assistant Director of Finance David Walker - Customer Finance Risk & Insurance Mark Outterside - Director, Forvis Mazars Louise Stables - Audit Manager, Forvis Mazars Connor Munro - Assistant Director – Audit Assurance, Veritau
Apologies	Councillors Hollyer, Burton, Coles, and Vassie

37. APOLOGIES FOR ABSENCE (17:30)

It was confirmed that apologies had been received from Councillors Burton, Coles, Hollyer, and Vassie. These Councillors were substituted by Councillors Baxter, Healey, Orrell, and Whitcroft.

As apologies had been received from both the chair and vice chair of the Committee, Cllr Fisher was elected to chair the meeting.

38. DECLARATIONS OF INTEREST (17:33)

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

39. EXCLUSION OF PRESS AND PUBLIC (17:41)

The Committee discussed whether the private annexes could be discussed in public session. Officers noted that due to the ongoing nature of some of the contracts within the papers there could be issues with those contracts at the end point should all the information be made public. Officers also confirmed that an additional report would be brought to the Committee's 11 March 2026 meeting.

Resolved: That the press and public be excluded from the meeting during consideration of Annex 1 to Agenda Item 13 on the grounds that it contains Information relating to the financial or business affairs of any particular person (including the authority holding that information). This information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

40. MINUTES & ACTION LOG (17:56)

The Committee considered the minutes of the Committee from 12 November 2025. Members highlighted that while representatives of the Conservative Labour, Liberal Democrat groups had been consulted on the revisions Public Participation in the Constitution, by the Monitoring Officer, the Conservative and Liberal Democrat groups it was noted were not in agreement with the full range of changes at that consultation.

The Monitoring Officer updated the Committee on the working groups progress reviewing the Council's public participation protocol. He confirmed that the proposed changes would be shared with the Constitution Working Group for consideration, before coming back to the Committee.

Officers confirmed that appointments were being confirmed for new independent members for the Audit and Governance Committee, Joint Standards Committee, and three appointments were to be made to the Independent Remuneration Panel. The Committee noted the importance of having independent members and thanked the Head of Democratic Services for

their work in the appointment of these new independent members.

Resolved: That the minutes of the meeting held on 11 November 2025 be approved and then signed by the Chair as a correct record.

41. PUBLIC PARTICIPATION (17:33)

It was reported that there had been two registrations to speak at the meeting under the Council's Public Participation Scheme.

Gwen Swinburn raised concerns relating to KCR 7 and how the Capital Programme was managed. She also raised concerns that the Committee were not given the sufficient tools or information to perform their auditing function in relation to the capital programme and suggested the governance arrangements of the Committee should be reviewed to ensure it can perform its functions more effectively.

Cllr Widdowson stated that it was real for the internal audit report to be so damning in relation to the Council's performance and stated that with a £20m overspend on just one capital scheme alone was incredible. She asked that the full audit report information be made public and stated that a combination of changes by the Executive and a failed corporate restructure losing key experience had led to the level of overspend on the project.

42. AUDIT COMPLETION REPORT 2024/25 (18:06)

Mark Outterside and Louise Stables from Forvis Mazars introduced the report and outlined the work undertaken during their audit and what areas had been completed as part of the audit. They also confirmed that they were progressing with the final Accounts Audit which included a value for money audit for the Council. It was confirmed that they expected to be able to issue an unqualified opinion for the Council.

Resolved:

- i. Noted the matters set out in the Audit Progress Report and draft Auditors Annual Report presented by the external auditor.

Reason: To ensure the proper consideration of the progress of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money

43. FINAL STATEMENT OF ACCOUNTS 2024/25 (18:21)

Assistant Director for Finance introduced the report and outlined the recommendation to delegate to the Committee chair and vice chair to sign off the Statement of Accounts.

Resolved:

- i. Noted the matters set out in the Audit Completion Report.

Reason: To ensure the proper consideration of the opinion and conclusions of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money.

44. TREASURY MANAGEMENT MONITOR 3 (18:32)

The Director of Finance introduced the report that outlines the Council's treasury activity to date. The Committee enquired whether the Council had to large a capital programme considering the Council's debt to income outlined in the report. Officers confirmed that the size of the capital programme was for the consideration of the Executive but that the Council remained significantly under borrowed compared to what the Council's prudential indicators would allow for. Officers also confirmed that a significant portion of upcoming borrowing for the Capital Programme was connected to York Central which would generate income from the enterprise zone when occupied. Members enquired as to whether there were any delays in the development of this part of York Central which could impact the Council's debt to income. Officers confirmed that the programme was currently on schedule and that positive talks had been held regarding occupancy of the enterprise zone.

Resolved:

- i. Noted the Treasury Management Quarter 3 Report and Review of Prudential Indicators 2025/26.

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

45. TREASURY MANAGEMENT STRATEGY (18:52)

The Director of Finance introduced the report and confirmed that it had been to Executive and following approval by the Committee would go onto Full Council for final approval.

Resolved:

- i. Noted the treasury management strategy statement and prudential indicators for 2026/27 to 2029/30 at annex A.

Reason: So that those responsible for scrutiny and governance arrangements are properly updated and able to fulfil their responsibilities in scrutinising the strategy and policy

46. KEY CORPORATE RISKS MONITOR 3 (18:54)

The Committee considered the report on the Council's Key Corporate Risks (KCR). Members were informed that Officers were to discuss whether a specific KCR was required for the delivery of the Local Plan or whether risks associated in it were covered in other areas of the risk register. The Committee asked that Officers enquire with as to whether enough weight was being assigned to mitigations in place against identified risks. The Committee noted how in areas such as Governance a Gross risk of 20 after mitigation only went to a 19 and asked whether risk owners could consider whether mitigations were

having a greater impact on the level of risk than that was presented in the register.

The Committee moved onto considering specifically KCR 7 Capital Programme. Members enquired whether KCR 7 needed to rise in its level of risk due to information in this report and the internal audit, officers confirmed that while the Capital Programme was large the level of risk was considered to be measured appropriately. The Committee enquired as to why level of risk had continued to increase relating to KCR 7, considering following the audit report more controls had been put in place. Officers confirmed that due to the risks identified within the internal audit into Major Projects the risks associated had been rescored to reflect this even with the additional controls in place, particularly as the Council was currently actioning those controls, so not all were in place.

Members raised concerns that the duelling of the outer ring road might not be fully delivered unless more funding from elsewhere such as the Combined Authority can be secured. Officers noted that they were delivering in a phased approach but continued to contract for the whole scheme as this remained the intention of the project and that they were working closely with the Combined Authority on the project. The Committee acknowledged that by phasing the project they reduced the level of risk to the Council's Capital Programme.

The Committee also enquired about whether the Council was able to recruit and retain people with the right skills to deliver against the Capital Programme. Officers acknowledged that matching pay in the private sector was not something the Council or any local authority could do in this sector, however, the Council continued to attract people with the right levels of skills and knowledge and was improving its pathway for staff to progress and train, with the understanding that the Council needed to ensure team wide resilience as areas such as this will have the potential for high turnover.

Resolved:

- i. Noted key corporate risks register;
- ii. Noted the in-depth review of KCR 7 (Capital Program);
- iii. Officers to review the scoring of risks after mitigations have been accounted for.

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

47. INTERNAL AUDIT WORK PROGRAMME CONSULTATION REPORT 2026/27 (19:41)

The Committee considered the Internal Audit Work Programme Consultation 2026/27 report which sought the Committee's input on the planned work for the Council's internal audits. It was confirmed that consultations were also taking place with Council officers to ensure auditors understood the risk profile of the Council.

Members enquired as to whether audits could be considered for the Council's role as a commercial landlord within the city and for an audit of the Council's progress against the Transformation Programme to support the Council in its work to find efficiencies understanding the challenge associated with the required level of budget savings needed in year.

Resolved:

- i. The Committee recommended that an internal audit be considered on the Council's role as a commercial landlord in the city;
- ii. The Committee recommended that an internal audit be considered on the Transformation Programme.

Reason: Internal audit professional standards require that the views of this committee are considered when developing the internal audit work programme.

48. AUDIT AND GOVERNANCE WORK PLAN (19:52)

The Committee considered its work plan for 2025-26. Members noted the additional item on Major Projects to come to the 11 March 2026 meeting and Members asked that a further briefing come to the Committee following the completion of the actions in the audit. The Committee also expressed an interest in an item on the Council's Code of Conduct to be added to the Committee's 2026-27 work plan.

Resolved:

- i. That an item on Major Projects be added the Committee's 11 March 2026 meeting and a further briefing be brought to the Committee at the completion of the actions against the internal audit.
- ii. That the Council's Code of Conduct be added as an item to the Committee's 2026-27 work plan.

Reason: To ensure the Committee maintains a programme of work.

49. CONTRACT MANAGEMENT: MAJOR PROJECT DELIVERY (17:58)

This item was considered in private session in accordance with the resolution in minute 39.

Cllr Hollyer, Chair

[The meeting started at 5.30 pm and finished at 7.58 pm].

Completed Audit and Governance Committee Action Log 2025/26

Action Number	Date of Meeting	Title	Action	Action Owner	Status/ Outcome	To be completed by	Completed
74	04/09/24	Information Governance performance report	That an update on the repeated themes published within FOIs/EIRs to be provided in future reports to A&G	Lorraine Lunt	Future reports to A&G to include themes and link(s) to published disclosure logs Freedom of Information Responses Disclosure Log – City of York Council (https://www.york.gov.uk/FOIDisclosureLog) and York Open Data York Open Data – City of York Council York Open Data – City of York Council (https://www.york.gov.uk/information-management/york-open-data)	Ongoing	Ongoing
84	27/11/24	Audit and Counter Fraud Progress Report	Regarding Annex 5 - Section 106 agreements - To provide further information on what proportion of total monies was reflected on EXECOM.	Becky Eades		Ongoing	No
93	27/11/24	External Audit Plan (Audit Strategy Memorandum) 2023/24	Future reports to contain a detailed definition of the roles of the audit team	Mark Outterside (Forvis Mazars)		Ongoing	No

	14/05/25	Data security	Email to be shared with all members to remind them about the importance of using CYC devices for Council bussiness and the dangers assoisated with using other devices.	Lorraine Lunt	There was also the request for user training for Cllrs which I will work with Roy Grant/ICT on arranging. I will send out the guidance for Cllrs on their roles/responsibilities under data protection and check what is available from the previously provided training and guidance as part of the Members Induction programme to see if it is available to all on MyLo and if not, get it put onto MyLo.	30/09/25	No
102	03/09/25	KCR Changing Demographics	To share with the Committee the updated data set relating to KCR 4 Changing Demographics.	Sara Storey			No
103	03/09/25	Planning Committee	To add to the Committee work plan to review the affect of planning committee changes in autumn 2026.	Bryn Roberts	Will be added to the Committees 2026/27 work plan .	30/11/26	No
105	12/11/25	Constitution Review	To establish a Constitution Working Group to review Appendix 8 of the Constitution- Public Participation Protocol	Bryn Roberts	A meeting of the Constitution Working Group took place on 22nd January, to review the Public Participation Protocol, feedback from the working group will be provided at the meeting. Update: Drafting is almost complete, and it is anticipated that the revised draft will be presented to the CWG in time to bring a report to the May meeting of the Audit & Governance Committee.		No
106	12/11/25	Community Governance Review	The Committee recommends that the Audit and Governance Committee post the 2027 Council Election consider adding a Community Governance Review to its work plan to explore options for a review.	Audit and Governance Committee	On hold until completion of the Boundary Commission review and the new ward patterns have been embedded after the 2027 local elections.		On Hold

107	29/01/26	Major Projects	Follow up report on Major Projects to be brought to the Committee's 11 March 2026 meeting. A further briefing to be brought to the Committee following the completion of the actions against the internal audit.	Garry Taylor	Report to be presented to the 11 March 2026 meeting.	11/03/26	Yes
108	29/01/26	Final Statement of Accounts	Briefing note to be shared with the Committee relating to what is included within Other Movement in Costs	Patrick Looker			
109	29/01/26	KCRs	To ask risk owners to consider again the score impact that the outlined mitigations are having against the risks they own in the register.	David Walker			

Completed Audit and Governance Committee Action Log 2025/26

Action Number	Date of Meeting	Title	Action	Action Owner	Status/ Outcome	To be completed by	Completed
68	08/08/24	Report on the extension and subsequent termination of the Early Intervention and Prevention Contract with the Salvation Army	That the Director of Governance commission an internal audit investigation of the council's contract management provision, following discussion with the Chair and Vice-Chair on the observations identified at the meeting on 8 August 2024 and ensuring the process followed to the point of cessation of the Salvation Army contract was included in the review.	Bryn Roberts/Max Thomas	The internal audit report has been issued with a limited assurance opinion (see internal audit progress report). An action plan has been agreed with management to address the issues identified by internal audit.	30/07/25	Yes
83	14/10/24	Report of the Monitoring Officer on suggested Constitutional changes.	That all Honorary Aldermen and Alderwomen be informed annually on the dates of Full Council.	Rob Flintoft	Dates to be issued following approval of the 2025/26 corporate calendar at Full Council. Instructions given - to remain on the action plan until after Annual Council has taken place.	22/05/25	Yes
85	27/11/24	Audit and Counter Fraud Progress Report	Regarding Annex 8, the Health and Safety internal audit report actions, Members to receive assurance from Veritau and CYC officers that the actions were being tracked and implemented	Max Thomas (Veritau)	With one exception, all the actions have been completed by the relevant service areas. The exception relates to the inclusion of specific wording in job descriptions to reflect the health and safety responsibilities of different roles. HR has confirmed that this action is being progressed.	Ongoing	Yes
95	30/07/25	Assests for Disposal	External Audit Progress Report made reference to £23m worth of assests for disposal. Officers to confirm what is included with in this list of assests to the Committee.	Debbie Mitchell	Information sent by email	07/08/25	Yes
97	30/07/25	External Debt	Officers to provide greater detail on the increase in external debt from 24/25 to 25/26.	Debbie Mitchell	Increase is due to increase in capital programme following slippage.		Yes

98	30/07/25	Audit and Governance Work Plan	Chair and Officers to review whether some of the Committee's January items can be moved to other Committee dates.	Chair/ Bryn Roberts/ Robert Flintoft	Internal audit report, Counter fraud report, and Improving ways of working reports to be delayed to March; Independent person recruitment report to be a verbal update as part of action log item.		Yes
99	30/07/25	Council Communications	Committee to recommend that Corporate Scrutiny review the Council's developing Communications Strategy. Internal Audit Report to be shared with Corporate Scrutiny Committee. Officers to provide feedback to the Committee on progress against the Audit report.	Robert Flintoft/ Debbie Mitchell	Emailed Cllrs Hollyer & Fenton, plus Claire Foale and Mike James to have a discussion and take forward as appropriate.		Yes
100	30/07/25	Member Induction Programme/ Training.	To share Member induction Programme Internal Audit Report with Joint Standards Committee to support work on Member Training and Induction.	Becky Eades	Report shared with the new Member working group on Member training and inductions.		Yes
101	30/07/25	Savings Plan	To Share Savings Plan Internal Audit Report with the Budget task and finish group.	Robert Flintoft/ Debbie Mitchell	Will be shared with task and finish group at their meeting 4th September.		Yes
104	12/11/25	Independent Members	Officers to put out new adverts for independent members on A&G and Joint Standards.	Bryn Roberts	Applications closed on 31st December. Applications have been received, interviews delayed because of the by-election but expected to take place week commencing, 19th Jan. Update: Appointments have been made for Independent Persons for both the Audit & Governance Committee and Joint Standards Committee, and will be presented to Council in March for the appointment of Independent Remuneration Panel members.		Yes

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Meeting:	Audit & Governance Committee
Meeting date:	11 th March 2026
Report of:	Debbie Mitchell, Director of Finance (S151 Officer)
Portfolio of:	Councillor Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

Audit and Governance Committee Report: Monitor 4 2025/26 – Key Corporate Risks

Subject of Report

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

Policy Basis

2. The effective consideration and management of risk within all the council's business processes helps support the administration's key commitments and priorities as outlined in the Council Plan 2023-2027.

Recommendation and Reasons

3. Audit and Governance Committee are asked to:
 - a) consider and comment on the key corporate risks included at Annex A, summarised at Annex B;
 - b) note and provide feedback on the in-depth review of KCR 11 (Major Incidents) at Annex C;
 - c) 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.

Background

4. The role of Audit & Governance Committee in relation to risk management is to receive;
 - assurance with regards to the governance of risk, including leadership, integration of risk management into the wider governance arrangements of the council including CMT ownership and accountability
 - the up-to-date key corporate risk profile including the effectiveness of risk management actions; and
 - monitoring the effectiveness of risk management arrangements in supporting the development and embedding of good practice across the organisation

5. 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

6. 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. Best practice is to focus on the significant risks to the council's objectives these are known as the key corporate risks (KCRs).

7. The corporate risk register is held digitally in 'Magique'. The non KCR risks are specific to council 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 review their risks on a regular basis and inform the risk management service of any changes.

8. In addition to the current KCRs, in line with the RM 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 and discussed quarterly with CMT and Portfolio Holders. KCR's can also be reduced to directorate level risk as part of this process.

Key Corporate Risk (KCR) update

9. There are currently 11 KCRs which are included at Annex A in further detail, alongside progress in managing the risks.
10. At A&G on September A&G members agreed to KCR risk 11 (Major Incidents) being brought forward to Monitor 4 2025/26. and it has replaced KCR 5 'Safeguarding' in this monitor (Monitor 4). There was also a discussion around whether subsequent risks arising from the implementation of the local plan may give rise to a further/new KCR's. To date officers have not brought any forward however CMT are undertaking a risk workshop in February 2026 which will allow them to review and consider all existing and new KCR's.
11. Annex B provides a one-page summary of all the KCR's and their current gross and net risk ratings.
12. 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 – Communities: Failure to ensure we have resilient, cohesive, communities who are empowered and able to shape and deliver services.
- KCR9 – Workforce Capacity: Reduction in workforce/ capacity may lead to a risk in service delivery.
- KCR10 – External market conditions: Failure to deliver commissioned services due to external market conditions.
- KCR11 – Major Incidents: Failure to respond appropriately to major incidents. This includes regular incidents such as Flood and a Major fire to national and international incidents such as Pandemic, Climate change, Supply chain failure.

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 consider 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		1 (1)	4 (5)	1 (1)	
Moderate		1 (1)	3 (3)	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 KCRs have been added since the last monitor.
- Increased Risks – No KCRs have increased their net risk score 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. Monitor 4 was published to CMT on 23rd January 4 weeks after risk monitor 3 therefore there have been minimal changes, as detailed here.

KCR 4 – Changing Demographics

New Action: Implementation of Health & Wellbeing Board governance of Neighbourhood Health transformation

Amended control detail: A whole system, whole council approach to supporting people in York to live as independently as possible, for as long as possible through implementing the York Neighbourhood Model

KCR 8 - Communities

New Action: Approval of Community Safety Strategy for 2026/27 including a partnership approach to addressing risk issues around cohesion and Youth ASB

Amended control detail: New early help and prevention community-based service delivery models in Housing, Public Health & Communities

Amended control detail: Community Safety Strategy in place for 2024/5

Amended control detail: Financial Inclusion Strategy monitored by the Financial Inclusion Steering Group

17. As agreed at this committee in November 2024, a cycle of in-depth reviews will be carried out whereby one KCR is reviewed in detail and the risk owner attends that meeting to assist with the conversation. This monitor (Monitor 4 2025/26) it is KCR 11 (Major Incidents) that is under review.

Consultation Analysis

18. Not applicable

Risks and Mitigations

19. 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.

Contact details

For further information please contact the authors of this report.

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Service Area:	Corporate Services
Report approved:	Debbie Mitchell
Date:	26/01/2026

Background papers

None

Annexes

- Annex A: Key Corporate Risk Register
- Annex B: Summary of Key Corporate Risks
- Annex C: KCR 11 Major Incidents
- Annex D: Risk Scoring Matrix

Changes to Risk Register since last update (December 2025)

Key Corporate Risk	Changes
KCR1 Financial Pressures	No changes
KCR2 Governance	No changes
KCR3 Effective and Strong Partnerships	No changes
KCR4 Changing Demographics	Amended control detail and new action
KCR5 Safeguarding	No changes
KCR6 Health and Wellbeing	No changes
KCR7 Capital Programme	No changes
KCR8 Communities	Updated controls, removal of completed actions and new action
KCR9 Workforce (incl Health & Safety)	No changes
KCR10 External Market Conditions	No changes
KCR11 Major Incidents	No changes

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

KCR 1 FINANCIAL PRESSURES: The ongoing government funding cuts and the impact of the cost of living crisis 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>Election of new government results in changes to local government settlement</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>Uncertainty around future funding</p> <p>Lasting financial impact of the pandemic on the economy as a whole</p> <p>Increased severity and frequency of climate hazard events (e.g. flooding)</p> <p>Inflation falls slower than anticipated or starts to rise again</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>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>	Highly Probable	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>Transformation team developing programme of work to manage future demand and increase efficiency</p> <p>Skilled and resourced finance and procurement service, supported by managers with financial awareness.</p> <p>Climate change mitigation and adaptation programme</p> <p>Financial Strategy approved.</p> <p>Cost control measures are in place including ceasing non-essential spend</p> <p>Monthly cost control panels are held.</p>	Probable	Major (20)	Unchanged	<p>RISK OWNER: Debbie Mitchell</p> <p>Development of Financial Strategy for 2026/27 (Debbie Mitchell 31/01/2026)</p> <p>NEW Respond to Fair Funding Review consultation (Debbie Mitchell 15/08/2025)</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>Increased risk of UK recession</p> <p>General cost pressures due to impact of Ukraine conflict.</p> <p>UK Bank of England Interest rate expected to remain high</p>	<p>Increased cost of responding to emergency situations, as a result of climate change, and impact on service delivery.</p> <p>Increased interest rates and the continued impact of inflation will reduce the overall funding available to the Council and may therefore lead to reductions in service levels in some areas.</p> <p>Council is unable to set a balanced budget or is required to request exceptional financial support from central government</p>			Corporate Improvement Framework has been established and includes training around financial literacy where appropriate/required.				

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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 and transparency.

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, and failures to adhere to statutory timescales for responses.</p> <p>Failure to comply with data protection and privacy legislation</p> <p>Failure to comply with regulator audit or inspection actions</p> <p>Failure to have and adhere to consistent and effective records management based on established standards, codes of practice etc</p> <p>Increased resource, capacity and workload demands resulting from any or all the above</p> <p>Transition to new Cyber Assessment Frameworks (CAF) for NHS Data Security and Protection Toolkit (DSPT) and PSN</p>	<p>Increases in decision or enforcement notices or other penalties including monetary fines by regulators such as Information Commissioner</p> <p>Potential legal action including criminal action against the council and/or individual(s) if knowing and reckless breaches of data protection legislation occur, and/or failing to comply with regulator audit, inspection or other notices</p> <p>Reduced or removed ability for the council to use covert surveillance. Potential increased costs to the council if there are successful individual claims for compensation as a result of breaches of data protection and privacy legislation.</p> <p>Impact on the end user/customer</p> <p>Reduced confidence in the council's ability to deal with FOIA/EIR and other information requests and in</p>	Probable	Major (20)	<p>ICT and ICT security policies and procedures such as Electronic Communication Policy</p> <p>ICT security systems in place</p> <p>ICT security check point process in place ahead of new service or system introduction.</p> <p>Regular ICT System audit process in place.</p> <p>Sessions with CMT and DMT's - raise awareness of digital/cyber risk and security requirements.</p> <p>Provision and ongoing review of information governance policies and procedures including regular all staff or targeted communications</p> <p>Mandatory all staff awareness training (new and ongoing) for data protection and information security</p> <p>Provision of role specific training eg covert surveillance, information asset etc</p>	Possible	Major (19)	Revisions to and new additions for risk details, implications and controls	<p>RISK OWNER: Bryn Roberts</p> <p>Information and mitigation has been added in relation to prospective change to Cyber Assessment Frameworks and cyber intrusion.</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
Increasing risk of adverse cyber event.	<p>turn, its openness and transparency.</p> <p>Adverse media/ social media coverage</p> <p>Reputational impact leading to loss of required accreditations such as NHS, etc</p> <p>Impact on records being available for future historical and research purposes</p> <p>Operational disruption if restrictions or removal of NHS system access and/or NHS data use, due to non-compliance with CAF</p> <p>An adverse cyber event would likely result in significant disruption to key Council services, with short-, medium-, and long-term implications.</p>			<p>Governance, Risk and Assurance Group (GRAG) covers a wide range of governance issues</p> <p>Regular Internal Audit reviews of information governance including physical data security for the Council.</p> <p>Regular monitoring reports to Audit & Governance committee and Corporate management Team and/or appropriate Scrutiny Committee(s)</p> <p>Provision of information and data on York Open Data and the council website</p> <p>Regular review of publication scheme and transparency code legislation to ensure ongoing compliance</p> <p>Ongoing management of data architecture to provide de-personalised data to open data platform</p> <p>Public Protection Annual Control Strategy</p> <p>Additional resource, training and improved processes to</p>				

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KEY CORPORATE RISK REGISTER AT March 2026**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>deal with FOIA/EIR and other information requests</p> <p>Officer and delegated decisions are published as necessary to ensure transparency</p> <p>Maintaining the strengthened relationship between Senior Information Risk Officer (SIRO)/ Director of Governance and the Caldicott Guardian</p> <p>Ongoing review of Council constitution.</p> <p>New induction programme for elected members including training in respect of the Code of Conduct and conflict of interests.</p> <p>Members now supplied with standard ICT equipment which will help to ensure appropriate information security and Information Governance.</p> <p>Conduct CAF gap analysis and develop improvement plan.</p> <p>Allocate clear ownership for CAF objectives across the council/IG and ICT</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>Engage suppliers/contractors to ensure compliance with CAF-aligned requirements</p> <p>Continued update of the Council's firewall and countermeasures, together with regular staff communication, exercising of BCPs, and mutual aid arrangements.</p>				

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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 affect other partners' budgets or services</p> <p>Priorities of the Mayor does not align with council /or city priorities</p> <p>Financial pressure on York and Scarborough Teaching Hospitals NHS Foundation Trust (YTHFT) and the Humber and North Yorkshire Health and Care Partnership ICS Board which may have worsened further due to Covid-19 and the cost of living crisis and ongoing demand on services</p>	<p>Key partnerships fail to deliver or break down</p> <p>Failure to utilise commitment to the city, reduced impact overall impact</p> <p>Misalignment of organisations' ambitions and direction of travel</p> <p>Ability to deliver transformation priorities undermined</p> <p>Delays in funding lead to missed opportunities</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 100 organisations who have the most potential to influence or affect organizational and city aims and priority outcomes for residents, and have established a partner programme to continue to engage them. Directors and Chief Operating Officer lead on specific relationships with meeting scheduled arranged to meet partner requirements.</p> <p>City Leaders groups meet regularly with an annual programme shared in advance, and groups terms of reference and membership published on Outside Bodies. Thematic and functional partner groups meet regularly to discuss key issues and identify areas to work together on.</p> <p>Place Making Board established to provide strategic steer for city issues that intersect with region/national policy challenges and meets every six months to discuss key challenges, chaired by Leader, with updates provided by strategic partners.</p>	Possible	Moderate (14)	No change	<p>RISK OWNERS: Claire Foale</p> <p>No current actions, ongoing monitoring of current controls</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>Cumulative impacts of the pandemic and cost of living crisis and a reduction in volunteering on voluntary and community sector</p> <p>Financial pressure remains with ICS partners currently undergoing a restructure set against a new DHSC-led "blueprint" with impacts on council not yet understood</p>				<p>The Integrated Care System has a strategy in place that aligns with the Joint Health & Wellbeing Board . The York Place Board will oversee the delivery of this at a Place level. Financial pressure remains, with a newly established joint Commissioning Group chaired by the Director of Public Health however the Council, ICS and the Acute Trust work together to reduce delays increase flow to reduce escalation beds and increase staffing.</p> <p>Arrangements with the MCA inform priorities, with the Strategy and Partnerships team maintaining a central coordination role, and the approved "pipeline" and subsequent response (York's Growth Ambitions) to Local Growth Plan confirming areas of focus. The MCA are developing a series of consultative sessions with different officer groups to help ensure MCA Committee decisions include thorough briefings.</p> <p>Internal co-ordination through Policy Network who meet regularly to understand and inform areas of work and what is happening across agendas (including overall monitoring of arrangements with voluntary & community sector as part of prevention and early help work)</p> <p>Commissioners and the NHS place directors are working closely to deliver</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>a number of key joint services across health and social care.</p> <p>Joint project group with NHS/ICB/Council to develop integrated neighbourhood team model and review assets.</p> <p>The York Health and Care Board is now in place chaired by Ian Floyd, which supports an integrated decision-making approach across organisations</p> <p>Sustainability Leaders Group meets quarterly (in person and online) to discuss climate action, funding opportunities and potential joint projects including active travel planning and energy partnerships.</p> <p>York Economic Partnership meets quarterly to explore opportunities for the city, and continue discussions initiated at MCA Business Board.</p> <p>York and North Yorkshire Business Intelligence group comprised of business representative organisations sharing issues and intelligence from their networks meets monthly.</p>				

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KCR 4 CHANGING DEMOGRAPHICS: Inability to meet statutory duties due to changes in demographics. Over time, the demographic makeup of York's population is shifting due to a number of factors including new housing, inward migration, and natural population shifts due to birth and death patterns. A number of these changes, for instance the increasing number of people living with health and care needs, bring with them significant challenges particularly in the delivery of social care and public health 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>Population growth including that caused by additional housing through the Local Plan brings a greater rise in demand for council services than the associated growth in funding</p> <p>The gradual aging of the population increases care and support needs which outstrip council resources</p> <p>An increase in complexity of needs requiring council support is seen as people get older and live longer in ill health</p> <p>Growth in specific cohorts of the population, for instance a growth in the</p>	<p>The impact of additional demands may cause significant financial and delivery challenges in meeting statutory duties, such as the cost of care provision, school placements, SEND provision, mental health care and support, adult social care and demand for environmental services (eg waste collection)</p> <p>For some people, if those statutory needs are not met, harm may occur to the individual.</p> <p>If the funding available to the council does not keep up with the financial pressures of these demands, a greater proportion of council overall funding must be spent on meeting statutory duties, reducing the ability of the council to deliver discretionary services.</p>	Probable	Major (20)	<p>Place planning strategy to ensure adequate supply of school places</p> <p>Local area working structures in frontline services, including Early intervention initiatives and neighbourhood working</p> <p>Strengths based assessment and care management reviews to see to reduce and delay needs for social care support and promote greater independence.</p> <p>Advice and Information Strategy providing residents with direct access to support and services, to enable sign posting and self help.</p> <p>Closer integrated work with NHS commissioning partners through the place partnership</p> <p>York Skills Strategy</p> <p>Redesign and implementation of new arrangements for early help and prevention, for instance the RAISE York programme, children's social care reform, integrated neighbourhood</p>	Possible	Major (19)	No change	<p>RISK OWNER: SARA STOREY</p> <p>REFRESHED DATA ANALYSES – PETER RODERICK</p> <p>ongoing monitoring of current controls</p> <p>Analysis on 'York's changing population' including projections for population numbers and impact on health and care has been published on the JSNA website.</p> <p>Implementation of Health & Well being Board governance of Neighbourhood Health transformation 30/09/2026</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>number of people with a disability or living with dementia is not matched by an adjustment in the way services are delivered to include and cater for the needs of these cohorts</p> <p>Demographic change in the working age population meaning workforce supply unable to meet workforce demand</p> <p>Changes to the costs of externally commissioned services related to increased land and property values</p>	<p>The council may experience a reputational impact if services are not delivered to a good standard</p> <p>Risk of legal challenge, with very significant consequences if statutory duties are not met, up to and including government intervention; criminal prosecution; civil challenge; and or financial sanctions.</p> <p>The ability to steer, shape, signal and manage the external care provider market is impeded where the council-commissioned share of that market reduces, for example where the self-funded share increases.</p> <p>Inability to recruit workers in key service areas in sufficient numbers to meet demands e.g. care and support workers</p>			<p>working e.g. Mental Health and Frailty Hub</p> <p>Ongoing analysis of the Local Plan and Major development projects demographic data to determine the impact on all CYC services.</p> <p>Partnership working to identify ways to make best use of the 'York pound' where other key organisations in the city or region have a mutual interest in preventing or reducing need and in working together to meet need more efficiently and more effectively (such as the combined authority; health partners; education providers; voluntary sector organisations; and private providers of health and care services).</p> <p>Impact assessment and analysis included as part of every formal decision, to assess the likely effect for people in specific groups or with specific needs in the city.</p> <p>Prioritisation of funding towards meeting statutory duties, to reduce legal risks and risks of harm to people</p> <p>A whole system, whole council approach to supporting people in York to live as independently as possible, for as long as possible through</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
				implementing the York Neighbourhood Model Data analysis to inform modelling of demand, forecasting and budget setting for key services				

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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, organizational 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>Poor outcome from statutory inspection (Ofsted) or assessment (CQC).</p> <p>Supply failure within the national care market for children's placements following OFSTED introduction for ages 16-17</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 as a result of shortage in supply of placements</p> <p>Financial investment required as a result of a failed inspection</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>Local and Regional Data analysis</p> <p>National Prevent process</p> <p>DBS checks and re-checks</p>	Possible	Major (19)	No change	<p>RISK OWNERS: Sara Storey & Martin Kelly</p> <p>No current actions – ongoing monitoring of current controls</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>Effectively resourced and well managed service, supported by robust workforce strategy and clear practice model</p> <p>Effective recruitment to senior roles with expert assessment contributing to the process</p> <p>Annual Safeguarding Board annual plan</p> <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.</p> <p>Ongoing work to ensure capacity is assured to enable any increase in demand to be met after introduction of new OFSTED requirements in children’s care homes</p> <p>Use of different methods of contact methods for vulnerable children, such as facetime, alongside working with the DoE and Ofsted</p> <p>Improvement Plan for Children’s social care in place since 2020</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>Ambition and Assurance Board oversight of ambition plan for adult social care</p> <p>Improvement Plan for Adult Social Care to address current budget pressures in place May 2021</p> <p>Increasing internal placement options with York by developing LA operated residential care</p> <p>Increasing targeted advertising to attract Foster Carers and increase capacity</p> <p>Adults Safeguarding Board Manager is in post</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 ensure there are plans in place to respond to wide-scale impacts on the health of citizens from future pandemics, infectious diseases, new and emerging drug trends, environmental hazards and the health impacts of adverse weather impacts</p> <p>Infectious disease outbreaks, rising cost of living, healthcare service pressures eg waiting lists and wider societal changes could adversely impact health.</p> <p>Demand for early intervention and prevention services which aim to improve and protect health could outstrip supply</p>	<p>Likelihood of mass disease outbreaks</p> <p>Risk to life of chemical, biological or radiological hazard</p> <p>Late diagnosis & delay in treatment of health conditions that could be prevented through eg healthier lifestyles and / or healthier living, identified earlier through e.g. routine screening, or prevented through e.g. vaccination</p> <p>Reduction in life expectancy and quality of life</p> <p>Increase in health inequalities between population groups in the city</p>	Probable	Major (20)	<p>York Health Protection Committee is established with good engagement with partners locally and regionally.</p> <p>The Health Protection Committee will produce an Annual Health Protection Report for CYC Executive to approve</p> <p>Health protection governance arrangements are subject to regular inspection through the internal audit cycle.</p> <p>Emergency Preparedness arrangements including NYLRF arrangements, plans and exercises</p> <p>Mass vaccination programme for flu and Covid 19</p> <p>The 2022-2032 Health and Wellbeing Strategy sets 10 clear population health goals to improve health and the conditions which create health</p> <p>Climate change mitigation and adaptation programme</p> <p>Ongoing Public Health grant assurance process with DHSC to ensure the effective use of public health resources.</p>	Probable	Moderate (15)	No change	<p>RISK OWNER: PETER RODERICK</p> <p>No current actions, continuous monitoring of controls.</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
Failure to protect citizens from the adverse health impacts of climate change		High	High		High	High		

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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 £427mm from 2025/26 to 2029/30. The schemes range in size and complexity but are currently looking to deliver several high profile projects, including Station Gateway and York Central.

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>Cost pressures due to fluctuating inflation rate (particularly in Construction where 20-30% increases in costs have been seen)</p> <p>UK Bank of England interest rate expected to remain higher than previously forecast</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 because of the economic climate may create some compliance issues and may mean that existing projects require extensions</p> <p>Increased interest rates and the continued impact of inflation will reduce the overall funding available to the Council and may therefore lead to reductions in service levels in some areas.</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>5 year Capital Strategy approved annually</p> <p>Capital Programmes are sufficiently staffed to deliver to timescales</p> <p>Internal Audit Report gave reasonable assurance on project management arrangements</p>	Probable	Moderate (15)	Slightly worse	<p>RISK OWNER: Debbie Mitchell and Garry Taylor</p> <p>Development of capital strategy for 2026/27 (Debbie Mitchell, 31/01/2026)</p> <p>NEW Review of major capital projects governance to be undertaken, including development of a resource plan</p> <p>(Garry Taylor & Debbie Mitchell 30/09/2025)</p>

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KCR 8 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 including Parish Councils</p> <p>Failure to mitigate wider determinants of health/deprivation impacts</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>CMT working collegiately on joint initiatives around Early Intervention and prevention</p> <p>New early help and prevention community based service delivery models in Housing, Public Health & Communities</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>Community Safety Strategy in place for 2024/5</p> <p>Community Hubs set up to support residents</p> <p>Roll-out of the Community hubs model as agreed in Oct 2020</p>	Possible	Major (19)	Revised date for action	<p>RISK OWNER: Pauline Stuchfield</p> <p>Approval of Community Safety Strategy for 2026/27 including a partnership approach to addressing risk issues around cohesion and Youth ASB</p> <p>(Pauline Stuchfield, 31/06/2026)</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
such as world conflicts and the cost of living increases	Increase in cost of living and in deprivation			<p>UPDATED Management structure 2024 bringing Communities and Housing together.</p> <p>Volunteer Centre established through York CVS. 'People Helping People Strategy' being reviewed.</p> <p>Financial Inclusion Steering Group</p> <p>Establishment of Food roles in Communities Team</p> <p>Support for Anti-Racism group provided</p> <p>Maintaining strong relationships with parish councils through their Charter</p> <p>Access Officer role has been established in Communities</p> <p>Sits within the Equity, Diversity and Inclusion Team.</p> <p>Financial Inclusion Strategy monitored by the Financial Inclusion Steering Group</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

KCR 9 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. In addition, the council must ensure that its key governance frameworks are strong particularly those around statutory compliance for Health & Safety.

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>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>Increased workloads for staff</p> <p>Impact on morale and as a result, staff turnover in key services impacting on business continuity and performance</p> <p>Inability to maintain service standards</p> <p>Impact on vulnerable customer groups</p> <p>Reputational damage as a current and prospective employer.</p> <p>Single points of failure throughout the business</p> <p>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) 	Probable	Major (20)	<p>Workforce Strategy and Action Plan</p> <p>Stress Risk Assessments</p> <p>Annual PDRs</p> <p>Comprehensive Occupational Health provision including counselling.</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> <p>A Workplace Health & Wellbeing Group has been established with staff & trade union representation which is chaired by the Head of HR.</p>	Possible	Moderate (14)	No change	<p>RISK OWNER: Helen Whiting</p> <p>Ongoing action: Review of HR policies to ensure they complement the diverse ways in which our workforce deliver services (Helen Whiting,) 30/06/2026)</p> <p>Implementation of the new Workforce Strategy and Action plan from May 2025</p> <p>(Helen Whiting, 31/03/26)</p> <p>Ongoing action: Review of employee T&Cs. Progress has started with costing options ahead of discussions with CMT and Trade Unions.</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Reduction in posts due to restructures required to achieve budget savings</p> <p>Potential strike action impacting on delivery of services. Ongoing school strikes and wider transport strikes also implicate on workforce availability.</p> <p>Lack of qualified workforce (e.g. care staff, HGV drivers)</p> <p>Ongoing national skills shortage</p> <p>Pay structure issues causing pressure at lower end having knock on impact on middle grades and especially supervisory roles around Grade 5</p> <p>Stress sickness absence remains the highest absence reason, importance of managing stress and potential burnout of staff.</p> <p>All LA's have a heightened awareness of the risk of</p>	<p>can have a negative impact on wellbeing.</p> <ul style="list-style-type: none"> Work life balance – unable to separate work from home due to work being carried out within the home Ongoing vacancies and volume of work in hard to recruit roles <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.</p> <p>More agile and flexible working may also result in increased retention of staff and increase the attraction of candidates for vacant positions.</p> <p>Reduction in agency spend is a positive however, a reduced spend will impact on Teckal arrangements for City of York Trading (operating as Work With York)</p> <p>Financial & reputational impact of successful challenges to T&Cs and claims for equal pay</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 e.g. Health and Safety regulations, working time directives</p> <p>Annual increase in Living wage is applied (although there is no control over this rate and conflicts with NJC rates)</p> <p>Joint Health and Safety Board and regular review of support for staff</p> <p>Improved frequency of informal and formal meetings with Trade Unions to improve communications and relationships</p> <p>Employer benefits package is well established</p> <p>Annual reminders and voucher provision for flu and covid vaccinations</p> <p>Increased help and awareness of staff wellbeing and mental health; monthly 'make a difference communications' which focuses on wellbeing</p>				<p>(Helen Whiting, 30/06/2026)</p> <p>Ongoing action - Implementation of creative recruitment initiatives.</p> <p>(Helen Whiting, 30/06/2026)</p> <p>Teckal arrangements resolved from 1st April 2025, WWY will operate exclusively for CYC (noting other City of York Trading companies will continue to operate for other sectors)</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>equal pay claims, following events at Birmingham</p> <p>Serious breach of health and safety legislation</p> <p>Failure to comply with statutory obligations in respect of public safety</p> <p>There continues to be a review of the NJC pay spine as National Living Wage and Living Wage Foundation rates increase, it has an impact on the compression of the grading structure. This in turn has an impact on competitive market rates.</p>	<p>Public and staff safety may be put at risk</p> <p>Possible investigation by HSE</p> <p>Prohibition notices might be served preventing delivery of some services</p> <p>Prosecution with potential for imprisonment if Corporate Manslaughter</p>			<p>Business Continuity Planning to assist with redeployment of staff or reduction of service during times of shortage eg HGV drivers</p> <p>Managers being equipped with the right training to manage and lead teams and workforce plan</p> <p>Review of job descriptions and not one size fits all</p> <p>Retention payments and market supplements agreed for key posts</p> <p>HR Advisory circulars now being issued to managers</p> <p>HR representatives on a number of regional task force groups, including for social care workforce promotion and addressing and considering changing terms and practices to mitigate challenges to equal pay. Corporate Governance Board reviewing EP risk progress on regular basis.</p> <p>Health and Safety monitoring in place</p> <p>Ongoing Health and Safety Training programmes at all levels</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

KCR 10 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 due to the cost of living crisis 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, employers national insurance contributions, and wage inflation in general.</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 the cumulative effects of the financial challenges</p> <p>Many sectors under financial pressure due to cost of living and inflationary pressures (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</p> <p>Increased cost if number of providers are limited</p> <p>Reputational damage</p> <p>Providers may face short to medium term recruitment issues due to current market conditions, or face an increase in costs which is passed on to the Council</p>	Probable	Major (20)	<p>Clear contract and procurement measures in place and have been further updated</p> <p>A clear progression process is now in place together with changes to JDs and HoS posts. Retention and recruitment drives in place to support staff within the council and potential new employees</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. Enhanced contract and quality team in place to work with providers reducing the potential for failure</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 holders</p>	Possible	Moderate (14)	No change	<p>RISK OWNER: SARA STOREY</p> <p>ONGOING ACTION Increase joint working with NHS commissioners to manage market effectively and get best value.</p> <p>(Director of Adults & Integration, 30/06/2025)</p> <p>ONGOING ACTION Work with regional commissioning networks, national networks, local providers, and health and care partners to understand, monitor and manage any individual or national provider instability.</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Costs and cost of living pressures due to increasing inflation rate</p> <p>Cost pressures due to conflict in Ukraine</p>				<p>Ongoing work with providers to set a York cost of care</p> <p>Local policies in place for provider failure</p> <p>Ongoing attendance at Independent Care Group Provider Conference</p> <p>DASS will have oversight of market sustainability. The appointment of a Head of Commissioning starting in Jan 2023 will co-produce a market position statement with health colleagues and providers</p> <p>Focus on prevention and early support to ensure residents are supported to stay at home for longer</p> <p>Co-producing model of care with people using services and their carers</p> <p>The Council's market position statement is regularly reviewed</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

KCR 11 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, 4. to facilitate the recovery of the community and 5. since 2013 the council also has a statutory duty to protect the health of the population under the Health and Social Care Act 2012 and the transfer of public health responsibilities to local authorities. 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 it's 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 • Pandemic <p>Failure to protect citizens from the adverse impacts of climate change</p> <p>Potential for rolling commercial power outages over winter</p> <p>Increasing frequency of extreme weather events</p> <p>Radicalisation and emergence of extremism and terrorism</p>	<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> <p>Reduction in life expectancy and quality of life</p> <p>Civil disturbances</p> <p>Risk to community cohesion</p>	Probable	Catastrophic (24)	<p>Emergency planning and Business Continuity Plans in place and regularly reviewed along with regional risk registers</p> <p>Strong partnerships with Police, Fire, Environment Agency and other agencies with principles such as JESIP and METHANE built into the way we work together</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 through Protect and Prepare Group and Hostile Vehicle Management projects</p>	Possible	Major (19)	No change	<p>RISK OWNER: Garry Taylor</p> <p>The Terrorism (Protection of Premises) draft bill also known as Martyn's Law, is working it's way through parliament. This KCR will need to be reviewed in light of new obligations after that.</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Warning and Informing is a key responsibility of Category 1 responders. It is important therefore that in times of emergency this responsibility is exercised in a timely way, not to do so has the potential to put a communities at risk.</p>				<p>Development of the local outbreak control plan and a variety of internal recovery strategies</p> <p>Local outbreak prevention, management and response in place</p> <p>Climate change mitigation and adaptation program</p> <p>Regular review and reporting of carbon emissions</p> <p>Carbon reduction and climate change action plan regular updates to Executive/CMT</p> <p>Communications to citizens about steps they can take to reduce impact of climate change</p> <p>Sustainability leads group to encourage city partners to work together to reduce impact of Climate change</p> <p>Communications incident management plans, including outbreak</p> <p>Regular review of emergency and business continuity plans</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT March 2026**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>Directorate risk registers will include relevant climate change risks</p> <p>Prevent Situational Risk Assessment in place. The York Prevent Local Delivery Group will mitigate risks from radicalisation and report to the Safer York Partnership and the York & North Yorkshire Prevent Partnership Board.</p> <p>New Corporate Emergency Planning Group established improve resilience of the Council and our Communities and provide assurance we are resilient in Integrated Emergency Management* and comply with the Civil Contingencies Act 2004. (*Anticipate, assess, prevent, prepare, respond and recover)</p> <p>The LRF is currently undertaking a review of capabilities linked with risk reviews.</p>				

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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	Probable	Moderate	15
KCR8 Communities	Probable	Major	20	Possible	Major	19
KCR9 Workforce/ Capacity	Probable	Major	20	Possible	Moderate	14
KCR10 External Market Conditions	Unlikely	Major	18	Unlikely	Moderate	13
KCR11 Major Incidents	Probable	Catastrophic	24	Possible	Major	19

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Background

This annexe provides details of a review of KCR 11, Major Incidents

The description of this risk is as follows:-

KCR 11 MAJOR INCIDENTS: Failure to respond appropriately to major incidents. Local Authorities are required by law to prepare 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,
4. to facilitate the recovery of the community and
5. since 2013 the council also has a statutory duty to protect the health of the population under the Health and Social Care Act 2012 and the transfer of public health responsibilities to local authorities.

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 it's administration. This will be done either alone or in conjunction with the Emergency Services and other involved agencies, including neighbouring authorities.

The Civil Contingencies Act 2004 (CCA) defines City of York Council (CYC) as a Category 1 organisation and has enhanced responsibilities as a result.

The CCA is the driver for how agencies prepare and plan for emergencies, working nationally, locally and co-operatively to ensure civil protection in the UK

Risk Detail

An uncoordinated or poor response to a major incident such as:

- Flood
 - Major Fire
 - Terrorist Attack
 - Pandemic
-
- Failure to protect citizens from the adverse impacts of climate change
 - Potential for rolling commercial power outages over winter
 - Increasing frequency of extreme weather events
 - Radicalisation and emergence of extremism and terrorism

- Warning and Informing is a key responsibility of Category 1 responders. It is important therefore that in times of emergency this responsibility is exercised in a timely way, not to do so has the potential to put a communities at risk

Implications/consequences

Death or serious injury

Damage to property

The council may experience a reputational impact if services are not delivered to a good standard

Potential for litigation

Potential for corporate manslaughter charges if risks are identified and proposed actions not implemented

Reduction in life expectancy and quality of life

Civil disturbances

Risk to community cohesion

City of York Emergency Planning

The City of York council Emergency Planning function sits in the Directorate of Environment, Transport and Planning under a Director who is a trained Multi Agency Gold Incident Commander (MAGIC) and responsible for ensuring the organisation fulfils its statutory responsibilities.

Planning, preparedness and response is provided by a shared service collaboration with North Yorkshire Council, the York work plan overseen by the City of York Resilience and Contingencies Manager, this includes the out of hours on call provision, engaging with all City of York service providers such as Highways, Adult and Children Social Care, Public Health, Housing, Building Control and Communications and Engagement etc. to provide our local response to incidents and escalation protocols. The Council has a Director on Call Rota some services also have out of hours arrangements according to the risks.

Officers engaged in emergency incident response are required to complete corporate training, attending events and exercises as required for continued personal professional development.

The service is audited regularly at local level by Veritau and has a separate assurance process for the LRF

City of York partners

1Local engagement with other responder organisations is provided formally at the Water Safety Group, Flood Group, Protect Group, Safety Advisory Groups and feed

into the Integrated Emergency Management Group, identified risks or issues escalated into the York Corporate Emergency Planning Group, Corporate Management Team and if multi agency response is required the Local Resilience Forum Emergency Planning and Risk Groups.

Local Resilience Forum (LRF)

The Chief Operating Officer is a member of the York and North Yorkshire Local Resilience Forum Executive Board and responsible for developing the LRF strategy for 2025 to 2030. The secretariat function is provided by North Yorkshire Council with funding provided by partner agencies.

Six themes have been taken directly from the UK Resilience Framework that have been determined to be important for York and North Yorkshires Resilience

- **Risk:** NYLRF will continue to make effective risk assessment the foundation of our resilience activity. We will make the best possible use of available information and expertise when seeking to understand the risks we face and take steps to improve our collective understanding of local and regional resilience capabilities.
- **Responsibility and accountability:** NYLRF will facilitate effective leadership within and across organisations and will be responsible and accountable to partners and communities within York and North Yorkshire for providing an effective framework for emergency management.
- **Partnerships:** NYLRF will build cohesive, healthy and resilient partnerships with new and existing entities that support more effective emergency management and enable us to capitalise on new technology and the wealth of expertise in the county
- **Communities:** NYLRF will build cohesive, healthy and resilient communities who are ready to respond together and recover well from adverse events
- **Investment:** NYLRF will seek opportunities for investment to support and strengthen York and North Yorkshire in preventing, preparing for, responding to and recovering from major incidents and emergencies.
- **Skills:** NYLRF will ensure that we have the right people with the right skills to support this strategy.

Controls Measures for KCR11

Emergency planning and Business Continuity Plans in place and regularly reviewed along with regional risk registers

Increased exercising and training opportunities

Business Continuity training for all managers

Regular review of emergency and business continuity plans

Strong partnerships with Police, Fire, Environment Agency and other agencies with principles such as JESIP and METHANE built into the way we work together

Support to Regional Resilience forums

Support and work in partnership with North Yorkshire local resilience forums

Investment in Community Resilience (re Flooding)

Work with partners across the city to minimise the risk of a terrorist attack through Protect and Prepare Group and Hostile Vehicle Management projects

Development of the local outbreak control plan and a variety of internal recovery strategies

Local outbreak prevention, management and response in place

Climate change mitigation and adaptation program

Regular review and reporting of carbon emissions

Carbon reduction and climate change action plan regular updates to Executive/CMT

Communications to citizens about steps they can take to reduce impact of climate change

Sustainability leads group to encourage city partners to work together to reduce impact of Climate change

Communications incident management plans, including outbreak

Directorate risk registers will include relevant climate change risks

Involvement in National planning and exercises

Prevent Situational Risk Assessment in place. The York Prevent Local Delivery Group will mitigate risks from radicalisation and report to the Safer York Partnership and the York & North Yorkshire Prevent Partnership Board.

ACT guidance for Local Authorities

Corporate Emergency Planning Group established to improve resilience of the Council and our Communities and provide assurance we are resilient in Integrated Emergency Management* and comply with the Civil Contingencies Act 2004. (*Anticipate, assess, prevent, prepare, respond and recover)

The LRF is currently undertaking a review of capabilities linked with risk for all partner agencies

NYLRF strategy and priorities 2025 to 2030.

Application of National Resilience Standards and compliance check

National Tier 1 exercises completed for Counter Terrorism, Utility Outage, Pandemic and Cyber planned for early 2026

Local exercises in York include strategic level Cyber, Flooding, Counter Terrorism York Minster and power outage, and tactical level for Music in the Museum Gardens, Racecourse and Community Stadium

Risk Owner and Actions

Garry Taylor – risk owner Director of City Development

Dave Atkinson – Director Environment and Regulatory Services

Individual directorates – where appropriate as Gold / Silver Commanders and lead directors for the strategies impacting control measures

Steve Ball – Emergency Planning - Resilience and Contingencies Manager

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Annex D- Risk Matrix

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

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Meeting:	Audit and Governance Committee
Meeting date:	11/03/2026
Report of:	Director of City Development
Portfolio of:	Cllrs Lomas Executive Members for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

Audit and Governance Committee Report: Contract management: major project delivery

Subject of Report

1. This report has been prepared to allow the committee to consider the contract management: major project delivery final audit report alongside external audit's 2024/25 audit completion report and the Key Corporate Risks Monitor 3.

Policy Basis

2. The work of internal audit is governed by the Accounts and Audit Regulations 2015, and the Global Internal Audit Standards in the UK Public Sector (GIAS UK Public Sector).
3. In accordance with these standards, outcomes from internal audit work are presented to the Audit and Governance Committee.

Recommendation and Reasons

4. The Audit & Governance Committee is asked to:
 - note the content of the contract management: major project delivery final audit report, redacted due to sensitive workforce information and sensitive commercial information.

- Review the progress in delivering the action plan developed in response to the audit

Reason

To enable members to consider the implications of internal audit findings (Annex A) and be assured that the action plan is being delivered.

Background

5. During 2024/25, Veritau commenced work on an audit of the council's contract management arrangements for its major capital projects. Work continued into 2025/26, following a request for additional work from the Director of Finance and to allow the council's Director of City Development to contribute to the audit.
6. On 16 January 2026, following discussions with senior management about the content of the report and actions to address identified weaknesses, the final audit report was issued.
7. A Limited Assurance opinion was reached. This means that Veritau has assessed there to be significant gaps, weaknesses or non-compliance. It also means that improvement is required to governance, risk management and control arrangements to effectively manage risks to the achievement of objectives in the area audited.
8. The purpose of the audit was to provide assurance that:
 - a) there is a contract brief which clearly set out the work required
 - b) meetings are held with the contractor to manage delivery of the project
 - c) there is a verification process to confirm that work is completed to the required standard and within timescale
 - d) invoices received are accurate for the work that has been done.
9. In order to provide this assurance, Veritau reviewed the main construction contracts relating to three projects. These were York Station Gateway Package 2 'Highways Scheme' (extant), Tadcaster Road (completed), and the Housing Delivery Programme (completed).

10. The focus of this audit was on how the main construction contracts for the three projects had been managed. However, in the case of York Station Gateway, we also evaluated officers' own review into the circumstances relating to the significant overspend and delays with the project. This was the additional work requested by the Director of Finance, mentioned in paragraph 5.
11. A total of four findings were made in the report. The key finding, and the one that led to the Limited Assurance opinion being reached, relates to York Station Gateway. Veritau assessed this finding as 'critical', meaning that it represents a fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
12. The York Station Gateway finding is made up of separate but interrelated parts, as follows:
 - a) entering the construction contract 'at risk', before legal agreements with statutory undertakers had been sufficiently progressed
 - b) costs incurred as a result of changes during project delivery
 - c) accuracy of financial implications in decision reports
 - d) project governance, and delivery and support capacity.
13. Taken together (at the time of the audit), the four areas outlined in paragraph 12 contributed most to the overspends and delays experienced with the York Station Gateway project.
14. The remaining three findings (one of which was assessed as 'significant' and two as 'moderate') related to inaccuracies in how York Station Gateway costs were presented in monthly project highlight reports, a lack of rigour in reviewing and approving the Tadcaster Road project brief, and inconsistency / unavailability of compensation event documentation.
15. Ordinarily, the outcomes from internal audits are presented as part of regular progress reports. However, the content of this audit report is relevant to other items the committee will consider during the current meeting. The external audit completion report and key corporate risk monitor 3 both contain reference to the council's management of major projects.
16. The redacted internal audit report (previously exempt) is contained in

Annex A to this report.

17. In response to this internal audit report Officers have prepared an action plan setting out the steps the organisation is taking to implement sufficient controls and reduce the risk of this happening again. The role of this committee is to receive updates on the delivery of the action plan attached (Annex B).
18. During the 28 January 2026 Audit & Governance meeting the committee were reminded that in July 2025, Executive approved an additional allocation of £18.5m for the station gateway programme (Packages 1 – 5), together with BSIP funding of £2.8m. This report also reviewed lessons learned from delivering the programme to that point which are included in that report.
19. Following a request from the Audit & Governance committee on the 28 January 2026 the Director of Corporate Development committed to returning in September 2026 to share progress on the delivery of the action plan.
20. As the Audit report reviewed an extant contract which is covered under an NEC 3 form A, due to achieve practical completion (PC) in Summer 2026, a period of commercial close will be required following the PC being achieved. Therefore, to mitigate the risks outlined below some of the detail in the report has remained redacted. The final outturn position of the Package 2 Highways works project can reviewed at a later A & G meeting if required.

Consultation Analysis

21. No consultation was required in the preparation of the report. Responsible officers named in the internal audit report, and others, were consulted during its preparation. This was done as part of Veritau's usual practice for undertaking audit work.
22. Officers from City Development, Finance, Transport, and Programme assurance worked together to develop the action plan.

Risks and Mitigations

23. Risk to Council reputation: the findings of the internal audit highlighted areas of significant concern potentially impacting the councils' reputation for delivering robust capital schemes to

mitigate this risk the action plan is underway and is designed to provide sufficient controls.

24. Risk to Budget: the internal audit report highlights how weak controls can lead to significant overspend, and how the establishment of a programme management assurance team, working closely with finance, will escalate financial risks before they materialise.
25. Risk of insufficient capacity/capability: a lack of an experienced team with the correct level of expertise will compound the issues identified in the report. The action plan identifies the planned recruitment and training required.
26. Risk of the Action Plan not being realised: there are a significant number of actions designed to mitigate issues highlighted in the internal report. If these actions are not completed the organisation remains at risk of significant programme management weaknesses. Progress against the action plan is monitored by the Director of City Development & Director of Finance through appropriate internal governance.
27. Risk to an extant Contractual/Commercial relationship: whilst the scheme is being delivered it is critical that the council is able to negotiate contractual arrangements in order to achieve best value for the taxpayer. Some the information contained in the report could be taken out of context and make it difficult to achieve best value.

Contact details

For further information please contact the authors of this report.

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Report approved:	Yes
Date:	27/02/2026

Background papers

Link to Jan 26 A&G agenda [Agenda for Audit and Governance Committee on Wednesday, 28 January 2026, 5.30 pm](#)

Link to July 25 Exec agenda [Agenda for Executive on Tuesday, 15 July 2025, 4.30 pm](#)

Annexes

Annex A: Contract management (major project delivery) final audit report (redacted)

Annex B: Action plan

CONTRACT MANAGEMENT: MAJOR PROJECT DELIVERY

CITY OF YORK COUNCIL

	Critical	Significant	Moderate	Opportunity
Findings	1	1	2	0
Overall audit opinion	Limited Assurance			

Status: Final

Date Issued: 21 January 2026

Responsible Officer:
Director of Finance;
Director of City
Development

INTRODUCTION

The council has a wide range of contracts for goods, services, and delivery of works. All contract management activities should help to ensure that objectives and deliverables are achieved while providing value for money. This audit has involved a review of the contract management arrangements in place for three of the council's ongoing major capital projects.

The York Station Gateway scheme is planned to demolish the Queens Street Bridge and reorganise the highway and the public realm at ground level. The project will rationalise the highway layout, reduce congestion and will improve pedestrian (public realm) areas to create a more welcoming gateway to York. These infrastructure improvements will be delivered as a series of separate construction packages or contracts.

The key contracts are as follows for the York Station Gateway project:

- ▲ Package 1 – Enabling Works – Main Statutory utility diversion works;
- ▲ Package 2 – Highways Works – Highway and public realm works in the adoptable highway – procured by the council – The main contractor for this package is John Sisk & Sons (contract start date 9th May 2023);
- ▲ Package 3 – Station Works within Network rail (NR) land – delivered by LNER, funded by the council and subject to a legal agreement between the parties - comprising demolitions and modifications to the operational Station buildings including the formation of taxi facilities, short-stay parking and drop off and areas of public realm in front of the station in order to improve the access for vehicles, cyclists and pedestrians;
- ▲ Package 4 – Loop Road works – these provide further highway improvements by creating additional bus stops, bus waiting facilities and the opportunity for buses to turn and return to the correct route, improved access to car park facilities creating a space from existing NR private land to an adoptable highway;
- ▲ Package 5 – Multi-story Car park (MSCP) construction accessed off the Loop Road – Delivered by NR.

The project, which includes all the packages above, had an original a budget of £26m and is due to be completed by early 2027.

The Tadcaster Road scheme involved various road and safety improvements, as well as gas and drainage works, to one of the main access roads into York. This project was completed in March 2024 and was budgeted to cost £6.4m. The main contractor was Jackson Civil Engineering.

The Housing Delivery Programme aims to build 600 new homes in York, with at least 40% of these homes being for social housing or shared ownership. The Programme involves developing five sites across York. The main contractor is Caddick.

OBJECTIVES AND SCOPE

The purpose of this audit was to provide assurance to management that procedures and controls within the system will ensure that:

- ▲ There is a contract brief which clearly sets out the work required.
- ▲ Meetings are held with the contractor to manage delivery of the project.
- ▲ There is a verification process to confirm that work is completed to the required standard and within timescale.
- ▲ Invoices received are accurate for the work that has been done.

The focus of this audit was on how the main construction contracts for the three projects have been managed. However, in the case of York Station Gateway, we also evaluated officers' review into the circumstances relating to the significant overspend and delays.

Key Findings

York Station Gateway

A significant overspend of £18.5m has been identified for this scheme due to a number of reasons that are detailed in the first finding of this report. In order to complete the scheme, the council has had to divert a large amount of funding (£14.5m) from the York Outer Ring Road project and had to obtain the remainder from the York and North Yorkshire Combined Authority.

The potential for a significant overspend was not reported for two years in the project highlight reports that are produced each month to provide updates on major projects. In March 2024, an overspend of £7.5m was then declared in that month's highlight report. Although the package 2 contract has been managed in line with the terms of the contract in relation to holding regular meetings with the contractor and paying invoices, the project does not appear to have been managed as well as it could have been given the size of, and reasons for, the overspend.

The site plans and proposals that were used to develop the project clearly set down the proposed work to be completed. The details of when the work would be completed were not specified clearly. However, the dates the funding from external bodies had to be used by was captured in project reports to the council's Executive.

Regular meetings are held between council officers and the contractor to discuss the progress of the project. Minutes of the operational meetings to discuss the work on site are kept but minutes are not kept for the commercial meetings that discuss financial matters. Meetings are also held between council officers through the York Station Gateway Project Board and the Infrastructure Delivery Board and with the site partners, NR, LNER & WYCA, to discuss the progress of the project. Regular updates are provided to the Executive portfolio holder.

A register is kept that lists compensation events for the project. Compensation event forms should be completed to support entries made on the events register. However, the forms to support the compensation claims on the events register were not made available during the audit with the forms only being presented at a later date when the report was being finalised.

Valuation certificates are being produced to confirm the value of work that had been completed. A sample of invoices was taken to confirm that the amount charged for the York Station Gateway was in line with that agreed in the valuation certificate. The retention amount of 3% was specified in the contract but the retention period was not. However, we were advised that the project will follow the practice of other council projects that re-pay half the retention when the work is

finished, with the remaining half being repaid after another year. There was a small amount of work, 2% of the value of work that was completed (£1.2k), where there was no retention charged to correct potential faults at a later date. No explanation was provided for this.

Tadcaster Road

The contract set down the programme of works that were to be undertaken as part of the Highway Improvement Scheme at Tadcaster Road. The contract also specified the budget and timescale for the project. The information in the contract was based on the project brief completed by a third party design company [REDACTED], following initial work that had been done by the council's Highways Maintenance and Sustainable Transport teams. It was explained to us during the audit that, due to urgent need to start the work, the project brief had not been adequately reviewed. At the time the brief was completed, there was no project board in place to perform a review.

Weekly meetings were held between the council's site supervisor and surveyors, and the contractor's site managers, to discuss financial and operational issues relating to the project. No minutes were made available during the audit. It was not possible to confirm whether minutes of meetings were produced at the time. This is because the project manager had left the council's employment at the time of the audit and the site supervisor was unable to locate minutes or confirm whether they had been produced at the time. Monthly meetings were also held between the council and the contractor's senior managers to discuss the progress being made with the project.

All changes to the project were included as compensation events. Forms need to be completed by the contractor for technical queries and compensation events. The compensation events were signed electronically by the council's site supervisor to confirm whether the technical query should be accepted or not. Meetings took place between council officers and the contractor to discuss material compensation events but records of these meetings have not been maintained. Although a register is kept for both technical queries and compensation events, the register for compensation events only lists them in chronological order with no cumulative total for the additional costs to the project due to the events.

A spreadsheet was maintained that showed the overall costs of the Tadcaster Road project. Valuation notices of work done were issued each month by the contractor. The council then issued a payment certificate to confirm that the council's quantity surveyor agreed with the valuation of work that had been done, and that the work had been completed to the required standard. The contractor then raised an invoice to the value of the work specified in the payment certificate. A sample of months was taken to confirm that invoiced amount was in line with the amount given on both the payment certificate and valuation notice. All amounts matched and the retention payments that were being withheld to correct defects were in line with the contract.

Housing Delivery Programme

Plans for developing sites for housing are drawn up as part of the Housing Delivery Programme. Proposals to develop individual sites are made to the Housing and Asset Delivery Board before being approved by the council's Executive. A review of the site plans at Lowfields and Duncombe Place showed that the site plans gave the number of houses and site plan at each site, with these plans being used by contractors to develop the sites.

A register is kept of compensation events relating to the Housing Development Programme, with reliance being placed on this register rather than individual forms being completed and then authorised for each compensation event.

Monthly meetings take place with the contractor to discuss the progress being made in developing the two sites. Reports are also presented at these meetings by the contractor, providing a detailed update on progress being made and issues that have arisen. The contractor's monthly reports are then passed to the Housing and Asset Delivery Board to update them on progress developing the housing sites. Meeting minutes and reports were available for both the Lowfields and Duncombe Place sites.

A cumulative record of the site development costs are included in a cost report that is produced by the council's quantity surveyors, Turner and Townsend. These allow the costs of developing the housing sites to date to be monitored against the budget. The council also keeps its own record of the value of invoices paid to date on the financial management system. Application for payment certificates are produced by the contractor each month which specify a valuation of the work done each month at each housing site. The valuation and quality of the work is agreed by the quantity surveyors, with a valuation certificate being issued to the contractor so that they can invoice the council for this amount.

A sample of invoices for the Housing Delivery Programme was tested to confirm that the amount paid matched the amounts in the payment certificates and valuation certificates. The contract specifies that 3% of the invoice should be retained to correct defects. The date the retained amount should be re-paid is not specified in the contract. However, testing confirmed that half the retention was paid at the completion of the work, with the other half being re-paid after a year. This follows the council's approach for other capital contracts.

OVERALL CONCLUSIONS

Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation. Our overall opinion of the controls within the system at the time of the audit was that they provided Limited Assurance.

1 York Station Gateway: contractual and project issues

Critical

Control weakness

Weaknesses in the management of the York Station Gateway contract and the project have resulted in significant overspend and delay.

What is the risk?

The York Station Gateway has required £18.5m in additional funding to ensure that it could be completed satisfactorily. Further overspends may occur if the project is not managed effectively.

Findings

A report was presented to the Council’s Executive in July 2025 that stated that the forecast expenditure for the York Station Gateway scheme had increased to £54.7m. It was confirmed that this would require an additional £18.5m of funding to cover the increased costs of the project. £14.5m of the additional funding was obtained by diverting funds from the York Outer Ring Road project, with the rest being provided from York and North Yorkshire Combined Authority funding.

Officers undertook an independent review of the causes of the delays and overspends. We evaluated the outcomes from this review and the key observations can be summarised as follows:

Entering the construction contract ‘at risk’

- ▲ The legal agreements with statutory undertakers had not been sufficiently progressed or were not in place prior to the award of the construction contract. [REDACTED]

Costs incurred as a result of changes during project delivery

- ▲ Changes were made to the project during the delivery phase which resulted in disruption and associated cost increases. [REDACTED]

Accuracy of financial implications in decision reports

- ▲ In August 2024, an officer decision report was published notifying of accepted changes to the [REDACTED]. This report did not explain that the option taken would attract contract prolongation costs which would likely be in excess of £1m.

Project governance, and delivery and support capacity

- ▲ During the early stages of the project there was not a project management office (or a sufficiently resourced equivalent) to ensure that a project of this scale and complexity progressed in a controlled manner, according to established methodology.
- ▲ [REDACTED]
- ▲ Contractor accommodation was not secured during the tender phase, prior to the contract award. This led to a delay in starting the contract and to an increase in cost for alternative accommodation.

Skills availability and reliance on external expertise

- ▲ Some of the technical issues arising from the project were not well understood or did not have the expertise to be resolved. Examples of this included the inadequate substation provision within the original costings and the delay to removing gas infrastructure from the updated project footprint.
- ▲ [REDACTED]
- ▲ Much of the procurement for consultants on York Station Gateway began before 2019 for a project which had York Central works in scope. While the project team could not have foreseen the extent of the delays, new procurement exercises had to be run to avoid the loss of project knowledge and expertise.

Management response

Effective management of large-scale complex construction projects requires a consistent, appropriately experienced, and knowledgeable resource provision both from the contractor and the employer. This should be tied into the strategic management at the council at the highest level, through appropriate project governance structures, and dedicated resources should be of an appropriate scale for each individual project incepted, as well as being flexible, agile and easily scalable to respond to project and programme change.

The council has experienced an exceptional period of change in terms of staffing since the start of the project. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

There was a crucial period in late 2024 before the impact of these issues were identified. Attempts were made to bring in interim support from external agencies to support the management of the project but due to the impact of the loss of knowledge and expertise at the correct levels this was only ever 'playing catch-up' and working to limit the damage already caused. Further loss of key staff [REDACTED] compounded by the inability to appoint appropriate new staff, due to lack of experience and skills, has led to an inevitable reliance on external agencies.

Agreed action

A review will be undertaken against the existing Project Management Office, and project delivery management resource and skills contained within it, in order to produce a gap analysis. This will be undertaken with reference to existing deliverables for the scheme, and the wider planned capital programme.

Responsible officer: Director of City Development **Timescale:** 31 March 2026

Agreed action

A report will set out recommendations for project management structures from Director level down, following the review of the existing function, leadership, experience, and knowledge. This report will make recommendations on capacity, structure and expertise in relation to the planned capital programme and will include cost implications. It will include recommendations around Construction / Commercial contract management functions and Programme Management Office functions.

Responsible officer: Director of City Development **Timescale:** 31 March 2026

Agreed action

Project management resources will be restructured and, as there are pockets of excellence that currently exist, opportunities explored to create a supportive network, sharing knowledge more effectively throughout the function rather than within departments and directorates.

Responsible officer: Director of City Development **Timescale:** 31 March 2026

Agreed action

As part of the resources review, dedicated Construction/Commercial contract management capacity will be established to oversee Construction Projects, through experienced construction delivery practitioner resource. Consideration will also be given during the recruitment process to replacing a Qualified Quantity Surveyor post within City Development in order to provide specific costing rigour to schemes pre- and post-tender, through the life of the projects, and embedding the managing and recording of compensation events, using a professionally qualified staff resource.

Responsible officer: Director of City Development **Timescale:** 31 March 2026

Agreed action

To better retain and grow talent and experience, creation of a career pathway within project management functions will be explored. This will involve a career graded structure, supporting learning through knowledge transfer and upskilling through training (for example, NEC contract and project management) as well as working with others, which should help to avoid the loss of excellent staff due to isolation or lack of career progression.

Responsible officer: Director of City Development **Timescale:** 31 March 2026

Agreed action

Once existing resources are of the right size and alignment, a period of recruitment will be undertaken to bring in additional skilled resources where needed across the capital programme.

Responsible officer: Director of City Development **Timescale:** 31 March 2026

Agreed action

A report will be prepared setting out proposed improvements to the Programme Management Office processes and function. The report will be commensurate with the complexity and scale of the planned capital programme, integrated with, and driving governance improvements as above, and to be applied consistently across the City Development (and wider as appropriate) Capital Programme.

Responsible officer: Director of City Development

Timescale: 31 March 2026

Agreed action

Training requirements for key staff involved in construction project delivery will be agreed and delivered.

Responsible officer: Director of City Development

Timescale: 31 March 2026

2 Reporting on costs: York Station Gateway

Significant

Control weakness

Delays in reporting significant overspends via project highlight reports.

What is the risk?

A significant overspend on the York Station Gateway project was not reported promptly which may have led to a delay in dealing with the overspend.

Findings

Project highlight reports are produced each month and shared with Council Management Team to provide updates on the council's major projects. The York Station Gateway project was first included in the highlight reports in April 2022, with the report stating that the project would be delivered within budget. The only concern referenced at this stage was additional costs that were due to domestic and world events that were beyond the council's control. Further concerns were then raised in June 2022 about the potential impact that inflation and an unstable market would have on the project, but the potential extra costs of these concerns were not given.

In February 2024, the RAG rating for the project was upgraded from amber to red due to a funding gap being identified for package 3. This package relates to the station buildings element of the project and for land acquisitions [REDACTED]. The March 2024 highlight report gave the figure for the overspend as £7.5m across the packages. The reasons for the overspend were later given in the October 2024 report. The report explained that these were due to the impact of inflation, inclusion of land costs, ground conditions, archaeology and unchartered utility services, design changes [REDACTED] and changes to the pre-tender value of station buildings element. The project highlight report mentioned the £18.5m overspend (described in the first finding) for the first time in May 2025. However, the reasons for the overspend had not changed since an overspend was first identified in the October 2024 update report.

This means that the highlight reports did not report any significant overspend for two years before then reporting a significant £7.5m overspend in March 2024, with the RAG rating only being upgraded to red at this stage.

Management response

The principles of commitment accounting were not initially used in the calculation of the estimated outturn for the Package 2 works or the overall scheme [REDACTED], although this was in place for the contractual elements managed by the cost consultant. The financial elements of the scheme were not being effectively understood or managed at a Project level. This was recognised as a risk by the council's Finance team and a resource was created within the Finance team structure. The impact of the information from the cost consultant was not initially made available to the finance officer appointed and was not well enough understood at a project level to be effectively interpreted because staff lacked the expertise to interpret possible cost impacts of changes and prolongation when forecasting outturn.

At a project level, there was a view that package 2 works were not overspent because the on-going monthly expenditure could be managed within the available funding envelope whilst the impact of compensation events were not fully understood. Eventually, as the available funding was expended, this became more apparent and, following the arrival of new Senior Officers, this error was identified. Officers did try to mitigate the issues when raised, however, complex change requests, causing significant periods of re-design, had led to a contractual programme change that created a change in the risk profile. The impact of significant change on the overall contract programme was not well understood and this led to a lack of clarity when reporting at management level.

Ensuring risks are fully understood, internalised, owned at the correct level, are fully controlled, and being cognisant of commercial sensitivities with a live contract is a function of good project management. Concerns around risks being widely circulated, or made public, has led to a degree of reticence in terms of reporting. A review of the mechanism of risk reporting is necessary to establish what is in the best interests of project delivery and the ownership and management of risk.

Agreed action

Commercial issues, budget monitoring and funding approval processes will be undertaken by experienced and senior officers at a project level, with support of finance colleagues. Project Management Office processes will be reviewed (per earlier actions related to detailed finding 1) to ensure fitness for purpose and accurate and appropriate corporate financial reporting. Consideration will be given during the recruitment process to establishing a Qualified Quantity Surveyor post within City Development in order to provide specific costing rigour to schemes pre- and post-tender, through the life of the projects.

Responsible officer: Director of City Development

Timescale: 30 June 2026

Agreed action

The professional team will be involved in all aspects of the tender evaluation process and will be fully aware of the outcome of commercial elements at financial close, together with any changes that are made to the risk share profile.

Responsible officer: Director of City Development

Timescale: 31 March 2026

Agreed action

RAG ratings will be better expressed to take account of projects being delivered over multiple phases, which will assist to contextualise the position.

Responsible officer: Director of City Development

Timescale: 30 June 2026

Agreed action

The scheme risks must be understood and managed at Director level, and below, by experienced staff who fully understand Construction project management. A Construction/Commercial contract management function will be established, and the Project Management Organisation function will be restructured with process being redesigned to ensure fitness for purpose.

Responsible officer: Director of City Development

Timescale: 30 April 2026

Agreed action

A review will be undertaken of council-wide project management resources, as proposed in response to detailed finding 1 above. This is to ensure that large contracts with complex construction, multiple partners from diverse sectors, and with potentially conflicting priorities are managed with a level of experience and expertise so that swift, decisive decision making and a consistent approach is achieved.

Responsible officer: Director of City Development

Timescale: 31 March 2026

Agreed action

Where there are gaps in expertise or knowledge, a recruitment process will be undertaken to bring in additional skilled resources and commence a training programme for existing staff to improve contract and project management skills.

Responsible officer: Director of City Development

Timescale: 31 March 2026

3 Tadcaster Road project brief

Moderate**Control weakness**

The design brief for the Tadcaster Road project was not adequately reviewed which meant it had to be changed after work had started.

What is the risk?

The project overspent its budget and took longer to complete because the project brief needed to be changed.

Findings

Work on the Tadcaster Road project started in January 2023 by following the brief that was prepared by the third party design company [REDACTED]. Until this point, the project had been worked on by the Highways Maintenance and Sustainable Transport teams at the council due to there being two separate funding streams for the project which were being managed by those teams.

The design brief was not adequately reviewed and agreed at a sufficiently senior level or by all relevant internal stakeholders. This contributed to the problems encountered when the work started. For example, there was no mention of how the work would be affected by York Races despite Tadcaster Road being the main road into York for the Knavesmire Racecourse. It also had not adequately considered the impact of subsurface utilities nor the extensive root network of the mature trees which line Tadcaster Road.

The reason provided for the lack of adequate review was the urgent need to start the work at a time that there was not a project board in place to approve it. [REDACTED]

Management response

Effective management of large-scale complex construction projects requires a consistent, appropriately experienced, and knowledgeable resource provision both from the contractor and the employer. This should be tied into the strategic management at the council at the highest level, through appropriate project governance structures. Dedicated resources should be of an appropriate scale for each individual project incepted, as well as being flexible, agile and easily scalable to respond to project and programme change.

As with Finding 1 above the council has experienced an exceptional period of change in terms of staffing since the start of the project. [REDACTED]

[REDACTED] At one point, the project was managed by the NEC Project Supervisor, who worked hard to limit the damage the staff changes had on the team.

There was a crucial period in 2023 before the impact of these issues were identified. Attempts were made to bring in interim support from external agencies to support the management of the project but due to the impact of the loss of knowledge and expertise at the correct levels this was only ever 'playing catch-up' and working to limit the damage already caused. [REDACTED]

Agreed action

As with detailed finding 1, a review will be undertaken against the existing Project Management Office and project delivery management resource and skills contained within it in order to produce a gap analysis, undertaken with reference to existing deliverables for the scheme, and the wider planned capital programme. Changes will be made to the council's project management framework, giving guidance to project managers on de-risking at the project brief stage which will ensure that correctly qualified project delivery staff can ensure that all due diligence has been performed prior to the tendering process.

Responsible officer: Director of City Development **Timescale:** 30 June 2026

Agreed action

Once existing resources are of the right size and alignment, a period of recruitment will be undertaken to bring in additional skilled resources where needed. A career pathway will be created within project management functions, with a career graded structure, supporting learning through knowledge transfer and upskilling through training (for example, NEC contract and project management) as well as working with others, which should help to avoid the loss of excellent staff due to isolation or lack of career progression.

Responsible officer: Director of City Development **Timescale:** 30 June 2026

4 Compensation events

Moderate

Control weakness

Compensation event forms were not always being completed or were not available during the audit.

What is the risk?

The costs of the project increase because compensation events are not being recorded or authorised appropriately.

Findings

Forms should be completed to support compensation events to provide more detail on the claim and to show which council officer authorised or rejected the event being claimed for. However, compensation event forms were not always being completed, were not available during the audit, or recordkeeping was incomplete.

York Station Gateway

Five compensation events claim forms were selected from the events register and requested for the York Station Gateway project. The forms were not provided during the audit by the Council's Project Lead Officer, with no explanation being given at the time as to why these were unavailable. The forms were provided at a much later date, only when this report was being finalised.

Tadcaster Road

The forms for all compensation events for the Tadcaster Road project were authorised by the council's site supervisor who electronically signed the form to confirm whether the compensation event should be accepted or not. Meetings between officers from the council and the contractor were held to agree large compensation events, such as re-opening Tadcaster Road on days when events were taking place on the Knavesmire, but no formal record was kept of these meetings.

Housing delivery programme

Compensation event claim forms were not completed for the Housing Delivery Programme. Instead, reliance was placed on a register listing compensation claims. Although the register gave the value of the compensation event, and whether it was accepted or not, it only gave a brief description of the event. The register does not provide the same level of detail that a compensation event form would provide nor does it evidence the approval obtained.

Management response

The NEC project management approach is used for the management of compensation events within the Package 2 project at York Station Gateway by the council’s project managers, Turner & Townsend (T&T). The Contractor, T&T and Council Officers have access to the cost management software CEMAR. All compensation events are notified, quantified, challenged, agreed and approved within the CEMAR package. This provides a detailed history and outcome for all compensation events related to the project.

Agreed action

A discussion will be held about adopting the NEC approach to managing and recording compensation events, using the NEC approach as a template for project managers to follow. A consistent approach will be taken across the capital programme as far as is practical.

Responsible officer: Director of City Development

Timescale: 31 March 2026

Agreed action

Consideration will be given during the recruitment process to replacing a Qualified Quantity Surveyor post within City Development in order to provide specific costing rigour to schemes pre & post tender, through the life of the projects and embedding the managing and recording compensation events, using a professionally qualified staff resource.

Responsible officer: Director of City Development

Timescale: 31 July 2026

Agreed action

As part of the review of the Construction/Commercial contract management function, a feasibility review will be undertaken on investing in a contract management system. This would require contractors to use the council’s system, as well as also containing a range of other features to help with contract management and may be linked to the Project Management Office improvements (see agreed action under detailed finding 1).

Responsible officer: Director of City Development

Timescale: 31 July 2026

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.

Contract Management: Major Project Delivery Audit Report Action Plan

Ref	What	Who	When	Progress
1A	A review will be undertaken against the existing Programme Management Office (PMO) and project delivery management resource and skills contained within it in order to produce a gap analysis, undertaken with reference to existing deliverables for the scheme, and wider planned capital programme.	CF / LC	April 2026	<p>We have reviewed PM resources on the YSG scheme, and in projects delivery team in general. Officers are currently recruiting a number of PMs and Senior Engineer. Next phase to recruit to assistant PM role. Whole team to have additional experienced resource, rely less on contract / consultant support and to have more training in project management & delivery.</p> <p>The design of the new structures is in the early stages. A role has been created for a Head of Capital PMO, the interim Head is in the process of identifying what existing resource is available, and what additional resource is required.</p>
1B	A report will set out recommendations for project management structures from Director level down, following the review of the existing function, leadership, experience, and knowledge. This report will make recommendations on capacity, structure and expertise in relation to the planned capital programme and will include cost implications. It will include recommendations around Construction/Commercial Contract management functions and Programme Management Office functions.	JB/BM	June 2026	<p>GT / LC prepared and gave a presentation to scrutiny committee (4th December) on recommendations for establishing a PMO and strengthening both resources and processes.</p> <p>JB / BM – future report to include proposals for structure to deliver the planned capital programme.</p>
1C	Project management resources will be restructured and, as there are pockets of excellence that currently exist, opportunities explored to create a supportive network sharing knowledge more effectively throughout the function rather than within departments and directorates.	All heads of service	July 2026	Teams within City development have started working more closely together and sharing best practice. (eg: learning relating to Treasury Green Book). The establishment of a capital PMO will further enhance this collaboration and sharing of best practice.

Contract Management: Major Project Delivery Audit Report Action Plan

				Following the recruitment exercises to ensure efficient onboarding and training for new staff. And update for existing staff.
1D	As part of the resource review, dedicated Construction/Commercial Contract management capacity will be established to oversee Construction Projects, through experienced construction delivery practitioner resource. Consideration will also be given during the recruitment process to replacing a Qualified Quantity Surveyor (QS) post within the City Development Directorate (CDD) in order to provide specific costing rigour to schemes pre & post tender, through the life of the projects and embedding the managing and recording compensation events, using a professionally qualified staff resource	GT	July 2026	Officers currently recruiting to senior engineer role. Discussion at DMT requiring contract management training across the CDD (basic NEC training, with some more detailed training for smaller number of PMs). QS Role not yet out to recruitment. To be in project delivery team (somewhere). More action required. To follow on from recruitment to senior level role.
1E	To better retain and grow talent and experience, creation of a career pathway within project management functions will be explored, with a career graded structure, supporting learning through knowledge transfer and upskilling through training (for example, NEC contract and project management) as well as working with others, which should help to avoid the loss of excellent staff due to isolation or lack of career progression.	BM /JB	June 2026	Work ongoing for some months to create Assistant Project Manager Job Descriptions (JDs) (career grade). This has met with some complexity in gaining approval within the current HR provisions. However, we are recruiting 4 Project Manager's within the highways a& transport major projects team. Two team members taking on the degree apprenticeship training through YSJ university and supported by JS & LC.
1F	Once existing resources are of the right size and alignment, a period of recruitment will be undertaken to bring in additional skilled resources where needed across the capital programme.	BM/JB	October 2026	Some recruitment ongoing (see above). More is planned. To consider what additional resource will be needed more widely across the CDD. Then further training for Project Managers to follow.

Contract Management: Major Project Delivery Audit Report Action Plan

1G	A report will be prepared setting out proposed improvements to the PMO processes and function, commensurate with the complexity and scale of the planned capital programme, integrated with, and driving governance improvements as above, and to be applied consistently across the CDD (and wider as appropriate) Capital Programme.	CF / GT	March 2026	GT / LC prepared and gave a presentation to scrutiny committee (4 th December) on recommendations for establishing a PMO and strengthening both resources and processes.
1H	Training requirements for key staff involved in construction project delivery will be agreed and delivered.	CF / BM	July 2026 and ongoing as new staff are recruited	CF (held by Exec Assistant) have a list of training requirements. Specific emphasis on NEC contract management, project management and Green Book (part delivered)
2A	Commercial issues, budget monitoring and funding approval processes will be undertaken by experienced and senior officers at a project level, with support of finance colleagues. PMO processes will be reviewed (per earlier actions) to ensure fitness for purpose and accurate and appropriate corporate financial reporting. Consideration will be given during the recruitment process to establishing a Qualified Quantity Surveyor post within the CDD in order to provide specific costing rigour to schemes pre & post tender, through the life of the projects.	GT	July/ Aug 2026	<p>QS role not yet out to recruitment. To be in project delivery team. More action required.</p> <p>To follow on from recruitment to senior level role.</p> <p>PMO intends to set up a Delivery Support Board (ToR available in draft). This to be a panel of experienced council officers and heads of service who are able to advise and guide project and programme managers through the development and delivery of capital projects. To include procurement, legal, major projects etc.</p>
2B	The professional team will be involved in all aspects of the tender evaluation process and will be fully aware of the outcome of commercial elements at financial close, together with any changes that are made to the risk share profile.	GT / JB / BM	June 2026	<p>Closer work with Procurement team to ensure PM's / design team are fully aware of negotiations during contract clarification period and take ownership of the contract risk apportionment process.</p> <p>In the future PM's will have the ability to request guidance from the Project Delivery Support Board (which includes procurement & legal)</p>

Contract Management: Major Project Delivery Audit Report Action Plan

2C	RAG ratings will be better expressed to take account of projects being delivered over multiple phases, which will assist to contextualise the position.	GT / All Heads of Service	September 2026	<p>The PMO will be able to support this and to have templates etc, also to facilitate risk workshops. Intend to be included in the design of any digital PM system.</p> <p>Existing transport PMO does provide support on RAID logs through discovery workshops.</p>
2D	The scheme risks must be understood and managed at Director level and below by experienced staff who fully understand Construction Project management. A Construction/Commercial Contract Management function will be established, and the Project Management Organisation function will be restructured, and process redesigned to ensure fitness for purpose.	GT / All heads of service	September 2026	We will get better at risk management and highlight reporting. Response as above.
2E	A review will be undertaken of council-wide project management resources, as proposed in detailed finding 1 above. This is to ensure that large contracts with complex construction, multiple partners from diverse sectors, and with potentially conflicting priorities are managed with a level of experience and expertise so that swift, decisive decision making and a consistent approach is achieved.	GT	July 2026	<p>A new Head of Major Projects appointed, and better management of the capital programme are already in place.</p> <p>JS currently recruiting to senior engineer role. Discussion at DMT requiring contract management training across the CDD (basic NEC training, with some more detailed training for smaller number of PMs).</p> <p>QS Role not yet out to recruitment. To be in project delivery team (somewhere). More action required.</p> <p>To follow on from recruitment to a further senior level role.</p>

Contract Management: Major Project Delivery Audit Report Action Plan

2F	Where there are gaps in expertise or knowledge, a recruitment process will be undertaken to bring in additional skilled resources and commence a training programme for existing staff to improve contract and project management skills.	GT	July 2026	Some Regeneration posts filled with new PM resource. Current recruitment for PMs in Highways & Transport, and more planned for APM or career grades roles. Further recruitment required to the Capital Delivery team.
3A	As with Finding 1 York Station gateway (above) A review will be undertaken against the existing PMO and project delivery management resource and skills contained within it in order to produce a gap analysis, undertaken with reference to existing deliverables for the scheme, and wider planned capital programme. Changes will be made to the council's project management framework, giving guidance to project managers on de-risking at the project brief stage and ensuring the correctly qualified project delivery staff ensure that all due diligence has been performed prior to the tendering process.	GT / PS	July/August 2026	Discussions taking place between Director of Housing and Director of City Development. More information to follow.
3B	Once existing resources are of the right size and alignment, a period of recruitment will be undertaken to bring in additional skilled resources where needed. A career pathway will be created within project management functions, with a career graded structure, supporting learning through knowledge transfer and upskilling through training (for example, NEC contract and project management) as well as working with others, which should help to avoid the loss of excellent staff due to isolation or lack of career progression.	GT / PS	September 2026	Recruitment outlined above. (3A)
4A	A discussion will be held about adopting the NEC approach to managing and recording	GT / CF	June 2026 but to be	NEC pm training is a priority. (CF to investigate). This may be delivered at differing levels, so all

Contract Management: Major Project Delivery Audit Report Action Plan

	compensation events, using the NEC approach as a template for project managers to follow. A consistent approach will be taken across the capital programme as far as is practicable.		extended as new staff recruited.	PM's have basic knowledge, but some roles require greater depth. YSG team already uses NEC approach to managing compensation events. (professional team T&T)
4B	Consideration will be given during the recruitment process to replacing a Qualified Quantity Surveyor post within the CDD in order to provide specific costing rigour to schemes pre & post tender, through the life of the projects and embedding the managing and recording compensation events, using a professionally qualified staff resource.	GT	July 2026	QS Role not yet out to recruitment. To be in project delivery team (somewhere). More action required. To follow on from recruitment to a further senior level role.
4C	As part of the review of the Construction/Commercial Contract Management function, a feasibility review will be undertaken on investing in a contract management system. This would require contractors to use the council's system, as well as also containing a range of other features to help with contract management and may be linked to the Project Management Organisation improvements (see agreed action under detailed finding 1).	GT	October 2026	New function with input from Procurement & legal as a method of registering and managing contracts. To include KPI's / milestones and Compensation Events (CE's). (potential addition of links to financial management system)



AUDIT AND GOVERNANCE COMMITTEE**11 March 2026**

Report of the Director of Governance

Report of the Monitoring Officer on Suggested Constitutional Changes – Revised Joint Standards Committee Procedures and Associated Amendments**Summary**

1. To provide the revised Joint Standards Committee Procedures for the committee to note and endorse, and to highlight required associated constitutional amendments to the committee for consideration and discussion.

Code of Conduct Complaint Handling Procedures

2. Following a discussion at Joint Standards Committee, it was agreed that the Joint Standards Committee Procedures, contained in Appendix 29 of the Constitution, required revision. Consequently, and at the request of the Joint Standards Committee, the Head of Legal Services undertook a comprehensive review of the procedures.
3. The revised Joint Standards Committee Procedures were considered by the Joint Standards Committee on 1 December 2025, when initial feedback was provided, and it was agreed that the matter be deferred to the next meeting, to allow the Committee members to consider the document further. The revised procedures were considered again at the Joint Standards Committee meeting on 22 January 2026, when the revised procedures were unanimously approved by the Committee.
4. On the basis of the Joint Standards Committee's unanimous endorsement, they are presented to the Audit & Governance Committee for note and endorsement, prior to transmission to full Council for approval.
5. For Members' assistance, whilst it is noted at the 12 November 2025 Audit & Governance Committee that, when presenting constitutional amendments, 'tracked changes' versions of

documents are preferred, given the comprehensive rewrite of the Joint Standards Committee Procedures, such a tracked changes version would be impractical; in due course, this will also be the case for the Public Participation Protocol.

Associated Constitutional Amendments

6. In conducting the review of the Joint Standards Committee Procedures, it is noted that the quorum for that committee (and the default quorum for all non-specified committees) set out in paragraph 13.1 of Article 7 of the Constitution is 4 members.
7. As has previously been noted, this creates a challenge for smaller meetings, sometimes leading to such meetings being inquorate and placing a greater burden on those Members who are able to attend shorter-notice meetings. In order to remedy this, it is recommended that all instances of “4” in paragraph 13.1 of Article 7 of the Constitution be changed to “3”.

Implications

Financial – None directly arising from this report.

Human Resources (HR) – None directly arising from this report.

Equalities – None directly arising from this report.

Legal – None directly arising from this report.

Crime and Disorder, Information Technology and Property – None directly arising from this report.

Recommendations

8. It is recommended that Members:
 - a. note the amended revised Joint Standards Committee Procedures;
 - b. consider and endorse the proposed associated constitutional amendments; and
 - c. remits the changes to the next ordinary meeting of Full Council for approval:

Reasons for the Recommendation

9. To allow Council to determine the proposed Constitutional changes.

Author and Chief Officer responsible for the report: Bryn Roberts, Director of Governance and Monitoring Officer

Report Approved **Date** 2 March 2026

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

For further information please contact the author of the report

Background Papers:

- None

Annexes:

- Annex 1 – Revised Joint Standards Committee Procedures

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Appendix 29 – Joint Standards Committee Procedures

CASE HANDLING PROCEDURE

These arrangements are made under section 28(6) of the Localism Act 2011 and set out how City of York Council (“the Authority”) will investigate and determine allegations that an elected or co-opted member of the Council, or of a parish or town council within the Authority’s area (the “Subject Member”), has failed to comply with the adopted Code of Conduct.

Monitoring Officer

- 1) All allegations will be received by the Authority’s Monitoring Officer (“MO”) who may, at any time, nominate a deputy to carry out any of their functions listed in this procedure.
- 2) Where the MO is the complainant, a relevant witness, or otherwise has a conflict of interest, and where the matter cannot be properly dealt with by a deputy for any reason, the MO will refer the allegation to the Chair and Vice-Chair of the Joint Standards Committee (“JSC”) who will together take over the MO’s role in the procedure.

Independent Person

- 3) The Authority will appoint an Independent Person (“IP”) whose views may be sought at any stage of the procedure but *must* be sought, recorded, and taken into account, before it makes a decision on an allegation that it has decided to investigate.
- 4) The appointed IP’s views can also be sought at any stage by the Subject Member against whom an allegation has been made.
- 5) The IP is a consultant only and cannot take a decision themselves.
- 6) Save in exceptional circumstances, once appointed the IP will remain the IP to be consulted throughout the procedure.

The Allegation

- 7) All allegations *must* be made in writing. A form is available on the Authority's website and in the reception of West Offices for this purpose. Assistance in completing the form can be provided.
- 8) Within 3 *working days* of receipt, the MO will contact the complainant to acknowledge their allegation and to outline this procedure and the timescales involved.
- 9) Every allegation will be treated on its own merits, but multiple allegations may be consolidated where they relate to the same alleged misconduct.
- 10) Where an allegation identifies criminal conduct, or a regulatory breach, the MO may refer the matter to North Yorkshire Police (or other relevant Regulatory Authority) for consideration. In such cases the MO may pause this procedure until the outcome of the referral is known, but is not obliged to do so.
- 11) An anonymous allegation will not generally be accepted unless the MO concludes that there is a compelling public interest in doing so.
- 12) Where a complainant requests their identity be withheld from the Subject Member, and the MO believes there is a genuine risk of intimidation, serious harm or distress, or an adverse impact on employment, the complainant's identity may be so withheld. The complainant must be informed of the reasons for the decision.
- 13) A Subject Member has no automatic right to confidentiality but may request that an allegation remain confidential whilst it is investigated. The MO will consider the procedural fairness of such a request, balancing the public interest against the risk of the Subject Member (and/or to persons associated with them) suffering serious harm or distress were the allegation to become known, before deciding whether the investigation ought to remain private.

A – Jurisdiction

- 14) The MO will apply an initial filter to an allegation to check:
 - a. it is against an elected or co-opted member,
 - b. they were in office at the time of the allegation,

- c. it relates to when they were acting, or purporting to act, in their capacity as an elected or co-opted member,
- d. that, if proven, the matter could be capable of being a breach of the adopted Code.

B – Initial Assessment

- 15) Where jurisdiction is established, the MO will notify the Subject Member (and in the case of town or parish councillors also the town or parish clerk) of the allegation and provide a copy of it, together with any supporting evidence.
- 16) The Subject Member will then be given *10 working days* from date of notification to respond to the MO with any comments they wish to make.
- 17) At the end of this period (whether or not a response is received from the Subject Member) the MO, in consultation with the IP, will decide whether to:
 - take no further action,
 - seek to resolve the matter informally,
 - refer the matter for deeper investigation,
 - refer the matter to a committee hearing.
- 18) Where the Subject Member is the Leader, opposition Leader, a member of the Executive or a Shadow Executive, and the initial assessment decision is to take no further action, the initial assessment must first be referred to the Chair and Vice-Chair of the JSC who may, if they both agree, substitute an alternative decision.

No Further Action

- 19) Where it is decided not to take any further action, the matter will be immediately closed. Examples of when this **might** occur include:
 - a. there is insufficient evidence to demonstrate a Code breach,
 - b. an alternative remedy ought to be explored first,
 - c. the allegation describes a trivial breach, is intended to cause annoyance frustration or worry (vexatious), is intended to cause harm (malicious), has little or no substance (frivolous), or is petty tit-for-tat (retaliatory),

- d. the allegation is made by one councillor against another in circumstances amounting to robust political debate,
 - e. the allegation is merely a delay, or failure to respond to a constituent request, not in itself capable of amounting to disrespect,
 - f. the relevant conduct took place over six months previously without good reason for a delay in making the allegation,
 - g. the allegation relates to a decision of the Authority (or a town or parish council), rather than conduct of an individual,
 - h. the allegation is the same or substantially similar to one which has recently been considered, and no new material evidence has been submitted,
 - i. if proven, the allegation would warrant no sanction, or
 - j. the Subject Member has stood down or is seriously ill.
- 20) The complainant and Subject Member will be notified of the decision in writing and the outcome reported to the JSC.
- 21) There is no internal right of appeal.

Informal Resolution

- 22) Where a Code breach is relatively minor, a one-off, or a genuine mistake, a proportionate outcome in the public interest might include:
- a. suggesting the offer of a written apology,
 - b. suggesting the withdrawal of the offending remark,
 - c. suggesting the Subject Member undertake relevant training,
 - d. convening a meeting (with or without a mediator present), between the complainant and Subject Member, to try to resolve the issue(s),
 - e. inviting a response from the Subject Member's political group (where they are a member of such a group), or
 - f. a written warning as to future conduct.
- 23) The complainant and Subject Member will be notified of the proposed resolution in writing and the decision reported to the JSC.
- 24) A register of informal resolutions will be maintained by the MO and, where a member becomes the subject of a new allegation, any prior resolutions will be taken into account before a further informal resolution can be considered.

- 25) If, after a reasonable time, the suggested informal resolution has not taken place, or any party refuses to engage with the proposal, the MO in consultation with the IP will decide whether further action is necessary in the public interest.
- 26) There is no internal right of appeal.

C – Referral for Investigation

- 27) Where a deeper investigation is warranted, it must be carried out fairly and reasonably by the MO, an officer appointed by them, or in being contracted to an external agent.
- 28) The investigation will be limited to matters raised in the written allegation.
- 29) An investigation report will then be prepared *within 3 months* of referral. This time limit may be extended only where the MO agrees that it is necessary, proportionate and reasonable to do so.
- 30) Where a Subject Member becomes seriously ill, or ceases to be a member or co-opted member, or some other exceptional circumstance occurs before the investigation is complete, the MO in consultation with the IP **may** decide to halt the investigation and take no further action.
- 31) The written report must outline the investigator's findings of fact, on the balance of probability, and indicate in its conclusion whether the investigator believes a breach of the Code has occurred.
- 32) The report will be provided to both the complainant and Subject Member who may, within 5 working days of receipt, comment on it. The investigator will then be given 5 working days to indicate whether these comments affect the report's conclusion.
- 33) The report, and any comments, will then be considered by the MO in consultation with the IP, before deciding whether to:
 - take no further action,
 - seek to resolve the matter informally, or
 - refer the matter to a committee hearing.
- 34) There is no internal right of appeal.

D – Referral to a Hearing

Pre-hearing

- 35) A hearing will be held before the JSC *within 6 weeks* of a referral.
- 36) The MO will manage the hearing procedure, and advise the JSC throughout the hearing process, but must not take part in the decision itself.
- 37) The MO will write to the complainant, the Subject Member and any investigator not later than *10 working days* before the hearing to confirm the hearing date, its location, and to provide a copy of this procedure.
- 38) Neither the complainant, Subject Member nor investigator can be compelled to attend the hearing and the hearing need not be an oral hearing.
- 39) Irrespective of whether the MO decides that an oral hearing is necessary, or a party has indicated that they do not wish to attend, the complainant, Subject Member and investigator must all be invited to provide, *no later than 3 working days before the hearing*, written submissions and/or any evidence that they would like the JSC to take into account.
- 40) The Subject Member will also be invited to confirm whether they accept the findings of any investigation report, to identify any areas of dispute, and (if they intend to attend the hearing) to indicate whether they would like someone to accompany them.
- 41) Any submissions and/or evidence received will be circulated to all parties before the hearing. Late submissions or evidence will not be considered at the hearing, unless all parties have been invited to comment on the procedural fairness of doing so **and** where the Chair agrees that it may be considered.
- 42) If a party wishes to call a witness to the hearing, they must advise the MO of this intent no later than *3 working days* before the hearing, explain why the witness is necessary, and provide the witness' name and contact details.

- 43) Only the parties themselves, and any relevant witnesses whose attendance has been agreed with the MO in advance of the hearing, may address the JSC at the hearing.
- 44) The hearing must be open to the public, save where either:
 - a) it is likely that *confidential information* will be disclosed, within the meaning of section 100A(3) Local Government Act 1972
 - or
 - b) it is likely that *exempt information* will be disclosed, as defined in schedule 12A to Local Government Act 1972 and the JSC resolves that the public interest in maintaining the exemption outweighs the public interest in disclosure.
- 45) Where a hearing, or part of a hearing, remains open to the public the Public Participation Protocol will not apply: members of the public may not ask questions of any party or address the JSC at any point.
- 46) The appointed IP must be present at the hearing, whether or not it is an oral hearing, and their views taken into account before the JSC comes to a decision. The IP may not take part in the decision itself.
- 47) The hearing may be adjourned at any time but only when it is necessary and in the public interest, for example, to allow production of additional evidence, to secure a party's or witness's attendance, or where there is insufficient time to conclude the hearing on a single day.

At the hearing

- 48) At the commencement of the hearing, the JSC members will appoint a Chair for that hearing. This need not be the same member as the member appointed annually to Chair the JSC. No member of the JSC may act as Chair unless they have received the relevant training to be able to do so.
- 49) All JSC decisions are made on the balance of probabilities. The technical rules of evidence applicable to civil and criminal courts

will not apply. Hearsay evidence may be considered, and it will be a matter for the JSC to decide how much weight to attach to it.

50) Order of presentation:

- a) the complainant will be invited to present their allegation,
- b) the investigator will then present their report,
- c) the Subject Member will then be invited to present their response,
- d) each party will be given 5 minutes to sum up their position,
- e) the IP will then be invited to indicate their views on both breach and, if found, appropriate sanctions.

Where any party is not present, their written submissions and any evidence submitted in support will be read out.

51) Submissions will be limited to 10 minutes unless, and where good reason can be demonstrated, the Chair permits additional time.

52) Questions and witnesses:

- a) Once each party or witness has presented their case, they may be asked any relevant questions first by the JSC, then the complainant, the investigator, the IP and finally the Subject Member.
- b) Any witness must remain outside the room until called to address the JSC, but may then choose to remain or to leave the hearing once they have done so

Decisions

53) The JSC will decide:

- the facts, on balance of probability, upon which it will base its decision,
- whether these facts amount to a breach of the Code of Conduct, and
- what sanction (if any) would be appropriate.

54) The JSC will then announce its decision and give reasons, and each party invited to comment, before the hearing ends.

- 55) A Decision Notice will be published *within 5 working days of the hearing* and a copy, with reasons, provided to the complainant and the Subject Member and, in the case of a town or parish councillor, to the town or parish clerk.
- 56) The MO will maintain a register of decisions. Following a finding of a second or subsequent Code of Conduct breach, the JSC may take into account any previous decision against a Subject Member before considering what, if any, sanction it considers appropriate.
- 57) There is no internal right of appeal.

Formal Sanctions

- 58) In order to promote and maintain the highest of standards of members and co-opted members at the Authority, the JSC may consider one or more of the following sanctions:
- Report its findings to full council and/or the relevant town or parish council
 - Recommend to full council that it restrict the Subject Member's access to specific facilities and resources, including any premises, or to restrict contact with named individuals, for a specified period
 - Issue, or issue through a town or parish clerk, a formal reprimand
 - If the Subject Member is also a member of a political group, to recommend to that group's leader that the Subject Member be removed from any or all committees and sub-committees
 - If the Subject Member is the leader of a political group, to recommend to that group's secretary or other official that they be removed from that role
 - Recommend to the Leader that the Subject Member be removed from positions of authority or, if the Subject Member is the Leader, to recommend to full council that they be removed from that post

- Instruct the MO to offer the Subject Member specific training, or assist the town or parish council to offer such training
- Recommend to full council that the Subject Member be removed from all outside appointments and nominations



Meeting:	Audit and Governance Committee
Meeting date:	11/03/2026
Report of:	Head of Internal Audit (Veritau)
Portfolio of:	Cllrs Lomas and Baxter Executive Members for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

Audit and Governance Committee Report: 2026/27 Counter Fraud Plan

Subject of Report

1. This report sets out counter fraud work planned for 2026/27. It contains an updated fraud risk assessment, an assessment of counter fraud work at the council against national counter fraud good practice, and an annual counter fraud development plan and work plan.

Policy Basis

2. The committee is responsible for the overview and effectiveness of counter fraud arrangements.

Recommendation and Reasons

3. The Audit and Governance Committee is asked to:
 - Note the 2026/27 fraud risk assessment
 - Note the counter fraud development and work plans.

Reason

To enable members to consider the current risk of fraud against the council, this forms part of the committee's responsibility for overseeing the effectiveness of counter fraud arrangements.

Background

4. Fraud is a significant risk to the public sector. Annual losses due to fraud and error are estimated as being as high as £81 billion in the United Kingdom. Veritau are engaged to deliver a counter fraud service for the council. The service helps mitigate fraud risk, investigate suspected fraud, and to take appropriate action when it is detected.
5. The council can reduce the impact of fraud by managing fraud risk through robust policy and procedures. It is considered best practice to regularly review fraud risk and strengthen counter fraud arrangements to meet it.
6. The 2026/27 Counter Fraud Plan, contained in Annex 1, updates the council's fraud risk assessment, evaluates the counter fraud policy framework, and sets priorities for the development of counter fraud work in the coming financial year.

Consultation Analysis

7. No consultation was required in the preparation of this report.

Risks and Mitigations

8. The risk of fraud is constantly evolving. If fraud risk is not regularly reviewed and action is not taken to address it, then the council's exposure to fraud will increase as will potential losses.

Contact details

For further information please contact the authors of this Report.

Author

Name:	Jonathan Dodsworth
Job Title:	Assistant Director – Corporate Fraud
Service Area:	Veritau Limited
Telephone:	01904 552947
Report approved:	Yes
Date:	27/02/26

Background papers

- None

Annexes

- Annex 1: 2026-27 Counter Fraud Plan

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2026/27 Counter Fraud Plan

Date: 11 March 2026

ANNEX 1

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3	Background
3	National Counter Fraud Strategy
5	Fraud Risk Assessment
6	Development and Work Plans
6	Policy Framework Review
7	Appendix A: Fraud risk assessment
19	Appendix B: Counter Fraud Development Plan
21	Appendix C: Counter Fraud Work Plan

BACKGROUND

- 1 Fraud continues to be a significant and growing risk to the public sector. Fraud offences account for 41% of all crime reported in the UK¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and that only a fraction was detected and recovered². These losses directly reduce councils' ability to fund essential public services and can cause reputational damage.
- 2 When fraud is committed against the public sector, money is diverted from vital public services into the hands of criminals. Local authorities must ensure that they have the right policies and procedures in place to prevent it from happening. It is important to promote a strong anti-fraud culture at all levels of the organisation as well as amongst the public.
- 3 Criminals are constantly improving their techniques and using new tools to defraud local authorities and other public sector bodies. To respond effectively, councils need to monitor the fraud landscape to ensure that their counter fraud measures offer protection from these evolving threats.
- 4 This report sets out the council's approach to addressing fraud, reviews its counter fraud policy framework, updates the annual fraud risk assessment, details new and ongoing developmental activity, and sets out how counter fraud resources will be used in 2026/27.

NATIONAL COUNTER FRAUD STRATEGY

- 5 CIPFA sets out the responsibilities of Local Authority leaders to counter fraud and corruption within their organisations in its code of practice on managing the risk of fraud and corruption³. The code says that organisations should:
 - acknowledge their responsibility for countering fraud and corruption
 - identify the fraud and corruption risks
 - develop an appropriate counter fraud and corruption strategy
 - provide resources to implement the strategy
 - take action in response to cases of fraud and corruption.
- 6 More recently Fighting Fraud and Corruption Locally (FFCL) published the most current counter fraud and corruption strategy for local government⁴. City of York Council follows the principles set out by CIPFA and FFCL to guide and develop its response to fraud.
- 7 The FFCL strategy recommends that councils consider the effectiveness of their counter fraud framework by considering performance against the five key themes set out below.

¹ [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons

² [An overview of the impact of fraud and error on public funds](#), National Audit Office

³ [Code of practice on managing the risk of fraud and corruption](#), CIPFA

⁴ [A strategy for the 2020s](#), Fighting Fraud and Corruption Locally

- **Govern** – *Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance.*

The council maintains a robust and regularly reviewed anti-fraud policy framework, supported by ongoing communication and reminders to staff. Counter-fraud activity is reported to both members and senior officers throughout the year. City of York Council has an employee code of conduct that sets clear expectations of honesty and integrity for all officers. The council maintains an up to date whistleblowing policy. Veritau provides whistleblowing support to employees and managers, logs all referrals, operates a whistleblowing hotline, publicises the policy, and delivers training. The counter fraud policy and counter fraud prosecution policy guide how fraud is investigated at the council and how cases are concluded when fraud is proven to have occurred.

- **Acknowledge** – *Acknowledging and understanding fraud risks and committing support and resources to tackling fraud in order to maintain a robust anti-fraud response.*

City of York Council is aware that it is regularly targeted by fraudsters across different service areas. An annual fraud risk assessment is produced and presented to members. The assessment draws on national fraud trends, intelligence from cases reported to and investigated by the counter fraud team, and the insights of senior officers who understand the risks within their service areas. Each year, targeted development activity is planned in response to the assessed risks, emerging issues, and ongoing evaluation of the council's arrangements against recognised good practice guidance.

- **Prevent** – *Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.*

Fraud prevention is embedded in the work of both the counter fraud and internal audit teams. When investigations highlight opportunities to strengthen controls, these findings are shared with senior officers, and follow-up checks ensure that agreed improvements are implemented. Ongoing investment in specialist training helps counter fraud officers stay current with emerging technologies and techniques. In addition, collaboration with the Communications Team supports the development of a proactive anti-fraud culture across the organisation and within the wider community the council serves.

- **Pursue** – *Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.*

The council takes strong action to hold offenders to account and to recover public funds lost to fraud. All allegations are investigated to criminal standards, and prosecution is considered where appropriate,

alongside a range of alternative sanctions. The council has a constructive partnership with North Yorkshire Police and raises concerns with them where appropriate. The counter fraud team also works closely with the Department for Work and Pensions (DWP) on council tax support fraud, with joint investigations often providing a more efficient and effective response to cases involving both agencies. The council explores every available avenue for financial recovery, including the use of civil remedies. Counter fraud activity has resulted in £202k in savings in 2025/26 (up to the end of January), demonstrating the impact of this work.

- **Protect** – *Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community.*

Fraud affects communities across Yorkshire, and residents are just as likely to be targeted as the council itself. The council regularly issues alerts to warn residents about emerging scams and fraudulent activity. The counter fraud team shares intelligence on fraud trends with council colleagues, such as cases identified through national data matching that may indicate residents have been victims of identity theft. Collaboration with neighbouring councils helps identify cross-boundary fraud and strengthens regional intelligence.

FRAUD RISK ASSESSMENT

- 8 Fraud risks are assessed annually to identify priorities for counter fraud work. The 2026/27 fraud risk assessment, included in appendix A, draws on national and regional intelligence affecting local authorities, as well as cases reported directly to the counter fraud team. Each area is assigned an inherent risk rating, reflecting the level of exposure to fraud if no controls existed, and the residual risk rating indicates the remaining risk when current controls are considered.

The results of the assessment are used to:

- develop or strengthen existing fraud prevention and detection measures
- update the counter fraud policy framework
- focus future audit and counter fraud work.

- 9 By their nature, fraud risks are hard to quantify. There are no established methodologies for determining estimated losses due to fraud in most areas. The terms high, medium, and low are therefore used in the risk assessment to provide a general indication of both the likelihood and impact of fraud in each area.

- 10 The risk assessment has been carried out by Veritau, based on our understanding of fraud risks in the sector and our knowledge of controls in place within the council to prevent, identify and deter fraud. It is used to inform priorities for counter fraud and internal audit work by Veritau. It is separate from the wider council risk management framework, however the views of senior officers within affected service areas are sought.

- 11 The updated assessment includes additional work planned by the internal audit and counter fraud teams, eg introduction and revision of e-learning modules providing training on social care fraud and whistleblowing, support to the council to prevent fraud within the new Crisis and Resilience Fund and help protecting the council from fraud associated with the new Failure to Prevent Fraud offence.
- 12 The fraud risk assessment will be kept under review so that any significant new or emerging risks are addressed.



COUNTER FRAUD DEVELOPMENT AND WORK PLANS

- 13 The 2026/27 counter fraud development plan is included in appendix B. It sets out development activity for the council and the counter fraud team for the year. These priorities are informed by the fraud risk assessment, policy framework review, and seeks to develop counter fraud work in each of the five themes set out in the FFCL national counter fraud strategy.
- 14 The counter fraud work plan is included in appendix C. The plan sets out the areas of counter fraud work to be undertaken in 2026/27. The time allocation for each area is not defined because it will depend on the levels of suspected fraud reported to the counter fraud team. Reactive investigations (determined by allegations of fraud received) will however account for the largest proportion of work. Priorities for work in the remaining areas will be determined in accordance with the counter fraud development plan and fraud risk assessment. A total of 983 days has been allocated to counter fraud work in the new financial year.



POLICY FRAMEWORK REVIEW

- 15 The council's counter fraud policy framework is reviewed annually. The review considers counter fraud related policies (including the counter fraud and corruption, prosecution, anti-bribery, and whistleblowing policies).
- 16 The review identified that the council's whistleblowing policy requires updating to reflect upcoming changes to whistleblowing legislation due to the Employment Rights Act 2025 as well as a recent employment tribunal decision. No other changes or updates to policies are required currently.

APPENDIX A: 2025/26 FRAUD RISK ASSESSMENT

Risk area #1	Social care fraud	Inherent risk	High	Residual risk	High
Risk description	<p>Adult social care customers complete a financial assessment with the council to determine any financial contribution they must make towards their care. Losses can occur through deprivation or non-declaration of capital which can involve the transfer or disguise of property to avoid paying for residential or domestic care provision. Residential homes could also continue to claim for customers who are no longer in residence (eg after they pass away). In both adult and children's social care, fraud can occur through the misuse of the Direct Payment scheme. For example, where monies allocated to meet a customer's assessed needs are not used to procure support services. Losses in social care fraud cases can be substantial, especially if they are not detected at an early stage.</p>				
Risk controls	<p>Applications for care funding are carefully assessed to ensure that recipients meet the eligibility criteria and that any financial contribution for care by the customer is correctly calculated. A range of monitoring and verification controls are operated by the council. This includes requiring customers in receipt of Direct Payments to have a separate bank account for managing these funds and complying with monitoring procedures to verify spending. In instances of misused Direct Payments, customers are moved to a commissioned service. If concerns are raised about the wellbeing of customers, then the council has a multi-agency safeguarding process which can highlight fraud. The residual risk of adult and children's social care fraud is still considered to be high. This is due to the level of spend in this area, the scale of losses, and the speed at which they can be accrued. It is also a reflection of the difficulty all councils have in detecting assets when people are determined to keep them hidden.</p>				
Priorities for internal audit / counter fraud	<p>Veritau has established relationships with senior management and officers responsible for the provision of social care; concerns of fraud are regularly reported to the counter fraud team (CFT) for investigation. Internal audit (IA) periodically conducts audits into Direct Payment process, financial assessments, and commissioning, and contract management. The CFT regularly provides fraud awareness to council</p>				

employees with responsibilities for assessment and payments. Veritau will make an e-learning module on Adult Social Care fraud available for council employees in 2026/27.

Risk area #2	Creditor fraud	Inherent risk	High	Residual risk	High
Risk description	<p>Over the course of several years attempts to commit fraud against the creditor payment systems of public and private sector organisations has increased in terms of volume and sophistication. The mandatory publication of payment data makes councils particularly vulnerable to attack. Attacks are often the work of organised criminal groups who operate from abroad. Individual losses due to fraud can be extremely large (more than £1 million). The likelihood of recovery is low once a fraud has been successfully committed. The most common issue is mandate fraud (payment diversion fraud) where fraudsters impersonate legitimate suppliers and attempt to divert payments by requesting changes in bank details. Other types of fraud include whaling, where senior members of the council are targeted and impersonated to obtain fraudulent payments. There have been increased instances nationally and regionally of hackers gaining direct access to the email accounts of suppliers and using them to attempt to commit mandate fraud. These attempts can be very difficult to detect and prevent.</p>				
Risk controls	<p>The council has strong controls in place to identify fraudulent attempts to divert payments from genuine suppliers and to validate any requests to change supplier details. Segregation of duties exist between the ordering, invoicing and payments processes. The residual risk of creditor fraud is still considered to be high due to potentially high levels of loss and the frequency of attacks. The council relies on its own employees, and those of its suppliers, to follow processes which prevent this type of fraud from occurring. However good processes can be undermined by human error which is a factor in many successful mandate fraud attacks.</p>				
Priorities for internal audit / counter fraud	<p>Veritau provide support and advice to finance officers responsible for the payment of suppliers. IA regularly perform audits of ordering and creditor payment processes, eg segregation of duties and controls to prevent mandate fraud. An audit is planned for 2026/27 that will evaluate controls designed to prevent mandate fraud. Increased awareness provides a greater chance to stop fraudulent attempts before losses occur. All</p>				

instances of attempted creditor related fraud are reported to the CFT who then report to relevant agencies, such as the National Cyber Security Centre. The CFT regularly shares intelligence alerts relating to attempted fraud occurring nationally with relevant council officers to help prevent losses. As part of any investigation of fraud in this area, the CFT will advise on improvements that can help strengthen controls. Training to officers involved in the management of payments to creditors regularly takes place.

Risk area #3	Cybercrime	Inherent risk	High	Residual risk	High
Risk description	<p>Cybercrime is a continually evolving area where criminals refine their techniques in order to overcome controls, obtain unauthorised access and information, and frustrate systems. In 2025, the government reported that approximately 612,000 UK business and 61,000 charities identified cyber breaches or attacks over a 12 month period. The potential for cybercrime is heightened by the availability of online tools and AI-driven attacks. As cybercrime can be perpetrated remotely, attacks can come from within the UK or overseas. Some cybercrime is motivated by profit, however some is designed purely to disrupt services. Types of cybercrime experienced by local authorities include ransomware, phishing, whaling, hacking, and denial of service attacks. Attacks can lead to loss of funds or systems access/data which could impact service delivery. There have been several high-profile cyber-attacks on public and private sector organisations in recent years. Attacks stemming from the hacking of software or ICT service providers have become more prevalent. These are known as supply chain attacks and are used by hackers to target the end users of the software created by the organisations targeted.</p>				
Risk controls	<p>The council employs highly skilled ICT employees whose expertise is used to help mitigate the threat of cybercrime. The ICT department has processes to review threat levels and controls (eg password requirements for employees) on a routine basis. It carries out weekly automated vulnerability scanning, as well as annual penetration testing performed by an accredited third-party organisation. The ICT department also uses filters to block communications from known fraudulent servers and will encourage employees to raise concerns about any communications they do receive that may be part of an attempt to circumvent cybersecurity controls. Despite strong controls being in place, cybercrime remains a high residual risk for the</p>				

	<p>council. The potential for cybercrime is heightened by the availability of online tools. Council systems could be exposed by yet unknown weaknesses in software. Suppliers of software or IT services could also be compromised which might allow criminals access to council systems believed to be secure. The residual risk of cybercrime remains high due to the constantly evolving methods employed by fraudsters which requires regular review of controls.</p>
<p>Priorities for internal audit / counter fraud</p>	<p>Cybersecurity is an ongoing priority for IA work and is overseen and delivered by CISA (Certified Information System Auditor) accredited auditors. Planned audits in 2026/27 cover cloud based and 3rd party security, cybersecurity, user awareness, and database & application security. Raising awareness with employees can be crucial in helping to prevent successful cyberattacks. The CFT work with ICT to support activities that raise awareness amongst employees. A campaign to mark cybersecurity awareness month is undertaken annually.</p>

<p>Risk area #4</p>	<p>Council tax and business rate frauds</p>	<p>Inherent risk</p>	<p>High</p>	<p>Residual risk</p>	<p>Medium</p>
<p>Risk description</p>	<p>Council tax discount fraud can be a common occurrence. CIFAS conducted a survey in 2022 in which 10% of UK adults said they knew someone who had recently committed single person discount fraud. In addition, 8% of people thought falsely claiming a single person discount was a reasonable thing to do. Individual cases of fraud in this area are of relatively low value but cumulatively can represent a large loss to the council. Business rates fraud involves people falsely claiming discounts that a business is not entitled to, eg small business rate relief. Reports of business rate fraud are less common than council tax fraud but can lead to higher losses in individual cases.</p>				
<p>Risk controls</p>	<p>The council employs a number of methods to help ensure only valid applications are accepted. This includes requiring relevant information be provided on application forms and undertaking visits to properties where needed to verify information. The council routinely takes part in the National Fraud Initiative (NFI). The exercise allows councils to cross check for potential instances of fraud in multiple locations (eg multiple claims for single person discount by one individual). The council regularly undertakes additional data matching exercises designed to identify where multiple people are living in a property, but a single person</p>				

	discount is being claimed. The CFT provide a deterrent to fraud in this area through the investigation of potential offences which can, in serious cases, lead to prosecution.
Priorities for internal audit / counter fraud	Council tax and business rates are one of the council’s key financial systems and as such are routinely examined by IA – an audit is planned in 2026/27. The CFT operate a compliance scheme which ensures that low-value fraud in this area that would not normally warrant a criminal investigation is addressed through contact with the public.

Risk area #5	Council tax support fraud	Inherent risk	High	Residual risk	Medium
Risk description	Council Tax Support (CTS) is a council funded reduction in liability for council tax. It is resourced through council funds. Fraud and error in this area is of relatively low value on a case-by-case basis but cumulatively fraud in this area could amount to a substantial loss. CTS fraud can involve applicants failing to correctly declare their assets, income, or household composition. Those receiving support are also required to notify relevant authorities when they have a change in circumstances that may affect their entitlement to support. Most CTS claims are linked to state benefits (eg Universal Credit) which are administered by the Department for Work and Pensions (DWP).				
Risk controls	The council undertakes eligibility checks on those who apply for support. Officers manage the assessment of new and ongoing claims for CTS to identify potential issues. The DWP use data from HMRC on claimants’ incomes which is then passed through to council systems which mitigates the risk of claimants not updating the council with income details. There are established lines of communication with the DWP where claims for support are linked to externally funded benefits. The council routinely takes part in the National Fraud Initiative (NFI) which highlights potentially fraudulent claims. The CFT provide a deterrent to fraud in this area through the investigation of potential offences which can, in serious cases, lead to prosecution. The CFT jointly works with the DWP to investigate fraud when it affects both organisations. This can help achieve better results for the council where state benefits are involved. If fraud cannot be addressed by the council directly it will be reported to the DWP.				

Priorities for internal audit / counter fraud	The CFT will continue to raise awareness of fraud with teams involved in processing claims for CTS as well as seeking opportunities to raise awareness with the public about the mechanisms for reporting fraud. IA have a planned audit in this area for 2026/27.
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Risk area #6	Housing related fraud	Inherent risk	High	Residual risk	Medium
Risk description	Council properties represent a significant asset to the council. Housing fraud can deprive the council of these assets through false applications for Right to Buy. Tenants who sublet or falsely obtain council properties remove a property from a person or family in true need of housing and can negatively affect the council financially when people are in temporary accommodation and are waiting for a suitable property to become available.				
Risk controls	The council has strong controls in place to prevent false applications for housing. The housing department engages with tenants regularly to ensure properties are not being misused. Eligibility checks are made before council owned properties are let. The CFT work with council colleagues to conduct checks, eg identity and money laundering, on all applications for Right to Buy. The CFT provide a deterrent to fraud in this area through the investigation of any suspected subletting of council properties using powers under the Prevention of Social Housing Fraud Act. Offenders face criminal prosecution and repossession of their council properties.				
Priorities for internal audit / counter fraud	The CFT will continue to raise awareness of fraud with teams involved in applications for council housing and the management of housing stock. The investigation of reports of the subletting of council properties are treated as a priority.				

Risk area #7	Procurement fraud	Inherent risk	High	Residual risk	Medium
Risk description	<p>Procurement fraud, by its nature, is difficult to detect but can result in large scale loss of public funds over long periods of time. Businesses that collude to stifle competition and fix or inflate prices are referred to as a cartel. The Competition and Markets Authority (CMA) estimates that having a cartel within a supply chain can raise prices by 30% or more. Procurement fraud can also take the form of mischarging, undertaking substandard work, and diverting goods or services. In 2020 CIPFA reported losses of £1.5m for local authorities, due to procurement fraud. It found that 8% of fraud detected in this area involved 'insider fraud'.</p>				
Risk controls	<p>The council has established Contract Procedure Rules. The rules are reviewed regularly and require a competitive process for significant procurements through an e-tender system. A team of procurement professionals provide guidance and advice to ensure procurement processes are carried out correctly. The Contract Procedure Rules also set out the requirements for declarations of interests to be made. Contract monitoring helps to detect and deter potential fraud.</p>				
Priorities for internal audit / counter fraud	<p>Continued vigilance by relevant employees is key to identifying and tackling procurement fraud. IA and the CFT monitor and share guidance on fraud detection issued by the Competition and Markets Authority and other relevant bodies. In 2026/27 IA will audit the council's compliance with new procurement legislation introduced last year as well as contract management processes. The CFT provides regular training to the procurement team.</p>				

Risk area #8	Internal fraud	Inherent risk	Medium	Residual risk	Medium
Risk description	<p>Fraud committed by employees is a risk to all organisations. Internal fraud within councils occurs infrequently and usually results in low levels of loss. However, if fraud or corruption occurred at a senior level there is the potential for a greater level of financial loss and reputational damage to the council. There are a range of potential employee frauds including theft, corruption, falsifying timesheets and expense claims, abusing flexitime or annual leave systems, undertaking alternative work while sick, or working for a third party on council time. Some employees have access to equipment and material that may be misused for private purposes. Payroll related fraud can involve the setting up of 'ghost' employees to obtain salary payments. A new criminal offence came into force in 2025, Failure to Prevent Fraud, which holds large organisations like the council accountable for fraud committed by employees, contractors, suppliers that is designed to benefit the council.</p>				
Risk controls	<p>The council has up to date whistleblowing, counter fraud policies, and anti-bribery policies. Campaigns are held annually to promote the policies and to remind staff how to report any concerns. Veritau provide e-learning training on whistleblowing to council employees and managers. The council has checks and balances in place to prevent individual members of staff being able to circumvent financial controls, eg deviation reports are produced and checked for expense claims that can highlight potential issues with claims, segregation of duties are applied in council processes. Management controls are also in place surrounding flexitime, annual leave and sickness absence.</p>				
Priorities for internal audit / counter fraud	<p>Veritau regularly liaises with senior management on internal fraud issues. Instances of internal fraud are analysed by both IA and CFT to determine if control weaknesses exist and can be addressed. The CFT provides training to all staff on whistleblowing and how to report concerns. Any suspicion of fraud or corruption is treated as a priority investigation. Where appropriate IA and CFT work together to investigate suspected fraud. Serious cases of fraud will be reported to the police. Disciplinary action taken by the council relating to internal fraud issues is often supported by the CFT. IA undertake work to ensure that appropriate checks and balances are in place to help prevent and detect internal fraud and corruption. Veritau is raising awareness of Failure to Prevent Fraud and training is being provided to employees.</p>				

Risk area #9	Recruitment fraud	Inherent risk	Medium	Residual risk	Medium
Risk description	<p>Recruitment fraud can affect all organisations. Applicants can provide false or misleading information to gain employment such as bogus employment history and qualifications or providing false identification documents to demonstrate the right to work in the UK. There is danger for the council if recruitment fraud leads to the wrong people occupying positions of trust and responsibility or not having the appropriate professional accreditation for their post. In addition, there have been reports nationally of 'polygamous working' fraud, where an employee, usually in a temporary position, works for several different organisations at the same time.</p>				
Risk controls	<p>The council has controls in place to mitigate the risk of fraud in this area. DBS checks are undertaken for certain roles as necessary. Additional checks are made on applications for roles involving children and vulnerable adults. References are taken from previous employers and there are processes to ensure qualifications provided are genuine. Right to work checks are completed in line with statutory guidance. The National Fraud Initiative undertakes payroll data matches to identify employees who are working for multiple organisations at the same time.</p>				
Priorities for internal audit / counter fraud	<p>Where there is a suspicion that someone has provided false information to gain employment, CFT will be consulted on possible criminal action in tandem with any disciplinary action that may be taken. Applicants making false claims about their right to work in the UK or holding professional accreditations will be reported to the relevant agency or professional body, where appropriate. The CFT routinely share details of identities found to be used in polygamous working with HR to prevent and detect potential issues. IA reviewed council recruitment and selection processes in 2025/26 and gave them reasonable assurance.</p>				

Risk area #10	Theft of assets	Inherent risk	Medium	Residual risk	Low
Risk description	The theft of assets can cause financial loss and reputational damage. It can also negatively impact on employee morale and disrupt the delivery of services. The council own a large amount of portable, desirable physical assets such as ICT equipment, vehicles, and tools that are at higher risk of theft.				
Risk controls	Specific registers of physical assets (eg capital items, property, and ICT equipment) are maintained. The council operates CCTV systems covering key premises and locations where high value items are stored. Entrances to council buildings are regulated and controlled via different access methods. The council employs a specialist security team to safeguard its premises, employees, and assets. The security team respond to incidents of theft through increased patrols and recommending improvements to processes. The council's whistleblowing arrangements provide an outlet for reporting concerns of theft. Thefts are reported to the police and Veritau.				
Priorities for internal audit / counter fraud	Instances of theft will be investigated by CFT where appropriate. IA have a planned audit looking into security arrangements at West Offices and Hazel Court.				

Risk area #11	Treasury management	Inherent risk	Medium	Residual risk	Low
Risk description	Treasury Management involves the management and safeguarding of the council's cash flow, its banking, and money market and capital market transactions. The impact of fraud in this area could be significant.				

Risk controls	Treasury Management systems are subject to a range of internal controls, legislation, and codes of practice which protect council funds. Only pre-approved employees can undertake transactions in this area and they work within pre-set limits.
Priorities for internal audit / counter fraud	IA conduct periodic work in this area to ensure controls are strong and fit for purpose.

Risk area #12	Grant schemes	Inherent risk	Medium	Residual risk	Low
Risk description	The council takes on the responsibility for disbursing government funded grant schemes to residents, businesses, and other organisations. Fraud in this area can include applicants supplying incorrect information to obtain grant payments or grant funded works (for example where grant funds are paid to a third-party supplier). Suppliers undertaking work may overcharge or not complete work to agreed standards. The council can become liable for recovery of any incorrectly paid government funding. This can create a loss to the council and may affect access to future grant schemes.				
Risk controls	The council will complete any required fraud management plan which will consider fraud risks, and mechanisms for preventing and detecting fraud. When awarding payments or agreeing works, the council (or their contractor) will complete checks to confirm applicants' eligibility.				
Priorities for internal audit / counter fraud	The CFT and IA support the development of fraud management plans, and associated controls, where required. CFT will undertake investigation in cases of suspected fraud. IA regularly undertake certification work on grant funded schemes. A new scheme, the Crisis and Resilience Fund, will be introduced in April 2026. Veritau will support the council to prevent fraud against the scheme and protect funds meant for vulnerable people.				

Risk area #13	Blue badge & parking fraud	Inherent risk	Low	Residual risk	Low
Risk description	Blue Badge fraud carries low financial risk to the authority but can affect the quality of life for disabled residents and visitors. There is a risk of reputational damage to the council if abuse of this scheme is not addressed. Other types of parking fraud also occur, including the misuse of residential parking permits by the owners of short term holiday lets to avoid commercial parking charges. Electronic payments by members of the public for use of council car parks can be diverted by criminals using false QR codes.				
Risk controls	Measures are in place to control the issue of blue badges, to ensure that only eligible applicants receive badges. Checks are made to ensure that commercial businesses don't inappropriately access residential parking permits. The council participates in the National Fraud Initiative which flags badges issued to deceased users, and badge holders who have obtained a blue badge from more than one authority, enabling their recovery to prevent misuse. The CFT and Parking Enforcement work closely together to identify, deter and investigate parking fraud. Proactive days of action are undertaken by both teams to raise awareness and act as a deterrent to blue badge misuse. Warnings are issued to people who misuse parking permits and blue badges. Serious cases of both types of fraud are considered for prosecution. Council car parks are monitored to detect and deter efforts to divert electronic payments.				
Priorities for internal audit / counter fraud	The CFT routinely investigate fraud in this area as well as undertaking days of action to combat blue badge fraud. The team will work with the parking department to investigate and stop the use of false QR codes in council car parks to divert payments. IA plan to audit the application process and consider eligibility policies in 2026/27.				

APPENDIX B: COUNTER FRAUD DEVELOPMENT PLAN

Veritau is responsible for maintaining, reviewing, and strengthening counter fraud arrangements at the council. An annual review of priorities for the future development of counter fraud arrangements is therefore undertaken. Actions to be taken over the next year are set out below.

In addition to the specific areas set out in the table below, ongoing activity will continue in other areas that contribute to the council's arrangements for countering the risk of fraud, including:

- a rolling programme of fraud awareness training for officers based on priorities identified through the fraud risk assessment and any other emerging issues
- regular reporting of internal audit and counter fraud activity to the Audit and Governance Committee.

Ref	Action Required	Theme	Target Date	Responsibility	Notes / Further Action Required
1	Update the council's whistleblowing policy	Governing	May 2026	Veritau / Human Resources	The council's whistleblowing policy will be revised to reflect changes in the law. E-learning material will also be updated to reflect this.
2	Review and maintain the council's fraud risk assessment	Acknowledging	Ongoing	Veritau	Ensure the council is made aware of new threats and respond to emerging risk like the new Failure to Prevent Fraud offence.
3	Raising awareness of adult social care fraud amongst employees	Preventing	Ongoing	Veritau	In 2026/27 Veritau will introduce an e-learning module on adult social care and make it available to employees working in the area.
4	Support service areas in collation and submission of	Pursuing	November 2026	Veritau / Council Departments	Veritau will receive data from a range of council departments, cleanse data to meet NFI specifications, and

Ref	Action Required	Theme	Target Date	Responsibility	Notes / Further Action Required
	data for the 2026/27 National Fraud Initiative				securely upload it. Privacy notices will also be reviewed to ensure compliance with data sharing regulations.
5	Support the council to introduce the new Crisis and Resilience Fund	Protect	Ongoing	Veritau	Helping prevent fraud in this new scheme will protect funds meant to support the public in times of crisis.
6	Continue active engagement with neighbouring bodies and local authorities.	Protect	Ongoing	Veritau	<p>Fraud can occur across council boundaries. CFT chair and are active members of regional professional networks in Yorkshire and the North East. These forums bring together fraud officers, internal auditors, and housing associations.</p> <p>Identifying opportunities to share information and joint working can help to detect and deter fraud.</p>

APPENDIX C: COUNTER FRAUD WORK PLAN

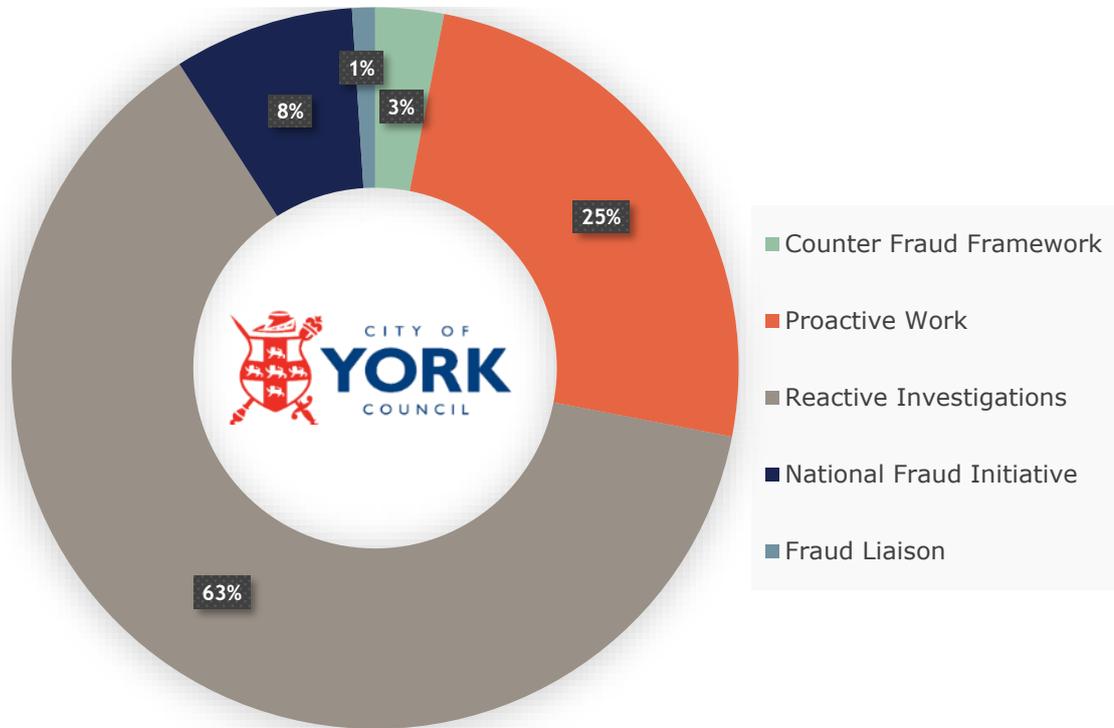
- 1 Veritau undertakes counter fraud work on behalf of City of York Council. This document summarises expected counter fraud activity for 2026/27.
- 2 A large part of the work of the team involves undertaking reactive investigations. The level of investigations is driven by referrals received from officers and the public about suspected fraud. Other work will be undertaken in accordance with priorities determined by the Fraud Risk Assessment and Counter Fraud Development Plan. A high-level summary of areas of counter fraud work are shown in table 1 below.

Table 1: Counter fraud work programme

Programme area	Purpose
▲ Counter Fraud Framework	Monitoring changes to regulations and guidance, reviewing counter fraud risks, and support to the council with maintenance of the counter fraud framework. Updates on significant fraud trends and counter fraud activities will be provided to the Audit and Governance Committee during the year.
▲ 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 reoccurring.
▲ National Fraud Initiative	Coordinating submission of data to the Public Sector Fraud Authority for the National Fraud Initiative (NFI) 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 housing benefit investigations.

- 3 The overall level of service is based on an indicative number of days for planning purposes (983 for 2025/26). Figure 1 below shows the proportion of time we expect to deliver across each area during the year.

Figure 1: Indicative split of counter fraud work



- 4 The split of activities shown in the figure above are not fixed. Actual work will depend on the level of suspected fraud referred to the team. We will also keep priorities for proactive and other counter fraud work under review, to ensure counter fraud resources continue to be used in the areas of greatest value to the council.



Meeting:	Audit and Governance Committee
Meeting date:	11/03/26
Report of:	Head of Internal Audit (Veritau)
Portfolio of:	Cllrs Lomas and Baxter, Executive Members for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

Audit and Governance Committee Report: Counter Fraud Progress Report

Subject of Report

1. This report provides an update on counter fraud work undertaken so far in 2025/26.

Policy Basis

2. The committee is responsible for the overview and effectiveness of counter fraud arrangements.

Recommendation and Reasons

3. The Audit and Governance Committee is asked to:
 - Note counter fraud activity.

Reason

To enable members to consider the progress of counter fraud work in the current financial year.

Background

4. Fraud is a significant risk to the public sector. Annual losses due to fraud and error are estimated as being as high as £81 billion in the United Kingdom. Veritau is engaged to deliver a counter fraud service for the council. The service helps mitigate fraud risk, investigates suspected fraud, and takes appropriate action when it is detected.
5. Annex 1 to this report provides an update on work undertaken by the counter fraud team in the current financial year. This includes details of proactive work to raise awareness of fraud issues and help manage fraud risks faced by the council. It also includes the results of investigative work completed by the team.

Consultation Analysis

6. No consultation was required in the preparation of this report.

Risks and Mitigations

7. None.

Contact details

For further information please contact the authors of this Report.

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Report approved:	Yes
Date:	27/02/26

Background papers

- 73. Counter Fraud Plan 2025/26

Annexes

- Annex 1: Counter Fraud Progress Report

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Counter Fraud Progress Report 2025/26

Date: 11 March 2026

ANNEX 1

CONTENTS

- 3** Background
- 3** Counter Fraud Management
- 4** Multi-Agency Work
- 4** Investigative Work
- 6** Appendix A – Summary of Investigative work



BACKGROUND

- 1 Fraud is a significant risk to the public sector. Fraud is the most common offence in the UK, accounting for 41% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and only a fraction of this was detected². Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 Veritau provides a corporate fraud service to City of York Council which aims to prevent, detect and deter fraud and related criminality. We use qualified criminal investigators to support departments with fraud prevention, proactively identify issues through data matching exercises, and investigate suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 The counter fraud team also plans and takes part in counter fraud campaigns (eg the National Fraud Initiative), undertakes fraud awareness activities with staff and the public, and maintains and updates the council's counter fraud framework and associated policies.
- 4 The purpose of this report is to update the Committee on counter fraud activity in 2025/26.



COUNTER FRAUD MANAGEMENT

- 5 In December, Veritau and the Parking Department undertook an unannounced day of action against blue badge fraud in the city. Increased footfall in the city during the winter months can reduce the availability of disabled bays on roads and car parks in the city centre. Misuse of blue badges puts additional pressure on disabled residents and visitors during this time. On the day 123 badges were checked by counter fraud and parking officers. Two instances of potential misuse were identified for further investigation. Two people have been successfully prosecuted for blue badge misuse during the current financial year. One person was found to be using a relative's blue badge while claiming it was their own. The second person was found to be using a badge issued by another local authority, but it had been reported as being stolen. Both prosecutions were publicised to provide a deterrent to blue badge misuse in the city³.
- 6 The counter fraud team actively works to raise employees' awareness of the different fraud risks affecting the council. In November, during International Fraud Awareness Week, the counter fraud team highlighted the threat to councils from polygamous working. There have been several recent high-profile cases where council workers have been found to be

¹ [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons

² [An overview of the impact of fraud and error on public funds](#), National Audit Office

³ <https://www.york.gov.uk/news/article/1831/magistrates-fine-two-drivers-who-misused-others-blue-badges>

working for multiple councils at the same time and not informing their employers. In August, a man from Gloucestershire was found guilty of fraud in relation to working four full-time roles with or for local authorities. He was found to have received £236k in salary and benefits that he was not entitled to and was sentenced to three years in jail.

- 7 On International Anti-Corruption Day in December, a new offence, Failure to Prevent Fraud, was highlighted to all employees. Introduced as part of the Economic Crime and Corporate Transparency Act 2023, large organisations can be found to be guilty of the offence if an employee, contractor, or supplier delivering services commits a fraud offence that benefits the organisation. Raising awareness of this new legislation and the threat of fraud within the council is a recommendation of government guidance for the new legislation.
- 8 This year bespoke training has also been provided to the following teams:
 - Procurement
 - Community duty
 - Intensive support
 - Hospital discharge
 - Adult safeguarding
 - Housing management
 - Creditors
 - Human resources
- 9 Veritau shares alerts on fraud threats identified by partners in the counter fraud community, including the National Anti-Fraud Network (NAFN). When Veritau identifies threats that could affect other local authorities, then a threat report is made so all NAFN members are aware. Recent alerts from NAFN have included details of a worker found to be working for multiple councils, someone contacting councils and pretending to be from the ICO, and fraudsters pretending to make a generous bequest, ie a grand piano, to a school in order to trick them into making payments for its delivery.



MULTI-AGENCY WORK

- 10 The National Fraud Initiative (NFI) is a large-scale data matching exercise that involves all councils and other public sector bodies in the UK. The work of the NFI is overseen by the Public Sector Fraud Authority (PSFA) and the exercise runs every two years. The results of the 2024/25 data matching exercise (9,000 data matches) are still in the process of being reviewed by the counter fraud team and other services across the council.



INVESTIGATIVE WORK

- 11 Between 1 April and 31 January 2026, the counter fraud team logged 235 referrals of suspected fraud. Seventy-six investigations have been completed and there are currently 80 cases ongoing. Two people have been prosecuted for blue badge offences. Four people have accepted formal

cautions in lieu of prosecution. Two council houses have been recovered after they were found to have been sublet. Seven internal investigations have been completed. Four resident parking permits have been removed from people for misuse. Two applications to the York Financial Assistance Scheme have been blocked. Fourteen people have received formal warnings. Invoices for loss to the council totalling £71k have been issued in a further nine cases.

- 12 The team has completed 12 verification checks on applications for Right to Buy and school placements. Twenty-six compliance checks have been completed, resulting in £3,100 in savings to date.
- 13 Counter fraud savings⁴ are tracked by monitoring repayments to the council following fraud investigations and calculating the value of stopping ongoing fraud. To date, £203k of counter fraud savings have been identified.
- 14 A summary of investigative work can be found in appendix A, below.

⁴ Counter fraud savings consist of money recovered during the course of the year (debts may have been calculated in previous years as well as the current financial year), the value of applications that would have been successful, eg Right to Buy or Financial Assistance, and 12 months of savings where an ongoing fraud has been stopped through the work of the counter fraud team.

APPENDIX A: SUMMARY OF INVESTIGATIVE WORK 2025/26

The tables below summarise the results of investigative work to date.

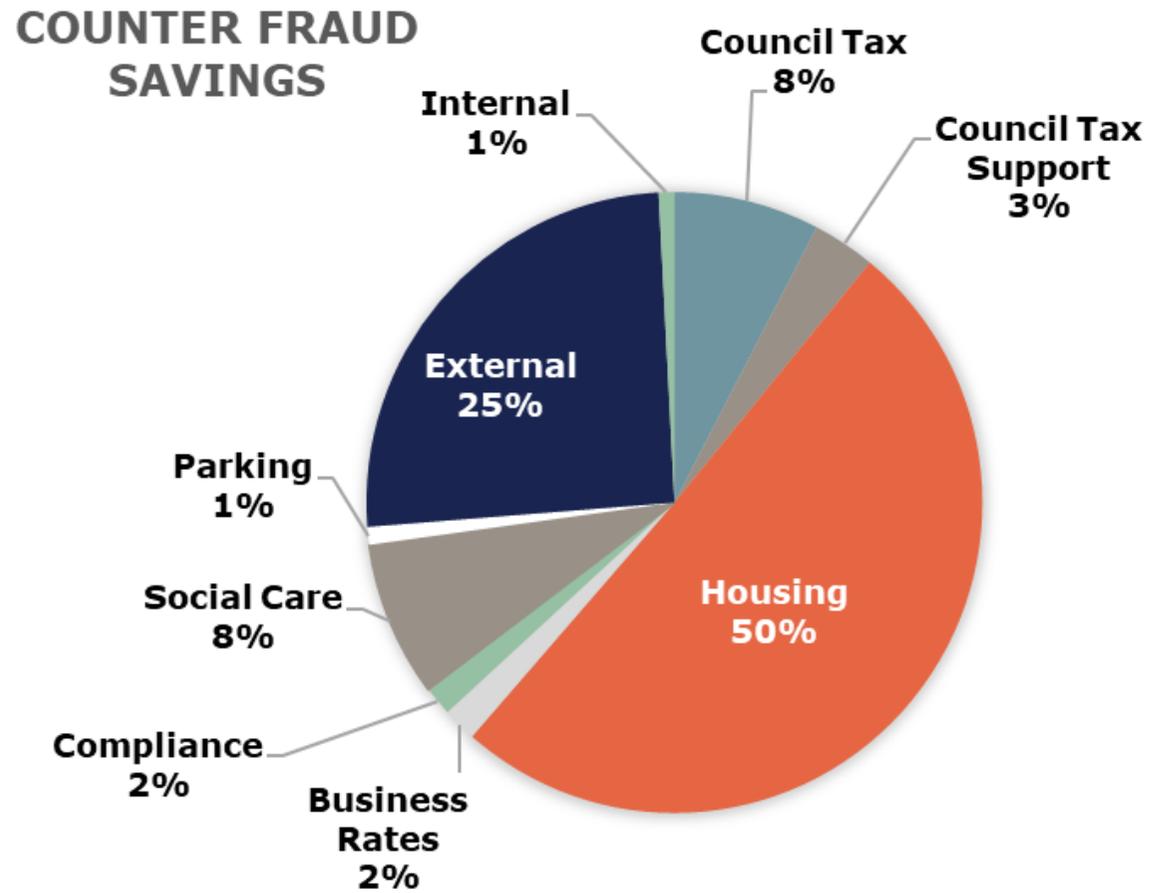
	2025/26 (As at 31/01/26)	2025/26 (Target: Full Yr)	2024/25 (Actual: Full Yr)
Amount of counter fraud savings (quantifiable savings, eg repayment and prevention of loss) identified through fraud investigation	£202,864	£200,000	£244,639
% of investigations completed which result in a successful outcome (for example payments stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked)	59%	30%	48%

	2025/26 (As at 31/01/26)	2024/25 (Full Year)
Referrals received	235	428
Number of cases under investigation	80	84 ⁵
Number of investigations completed	76	119
Number of compliance checks completed	26	14
Number of verifications completed ⁶	12	124

⁵ As at the end of the financial year (ie 31/03/2025)

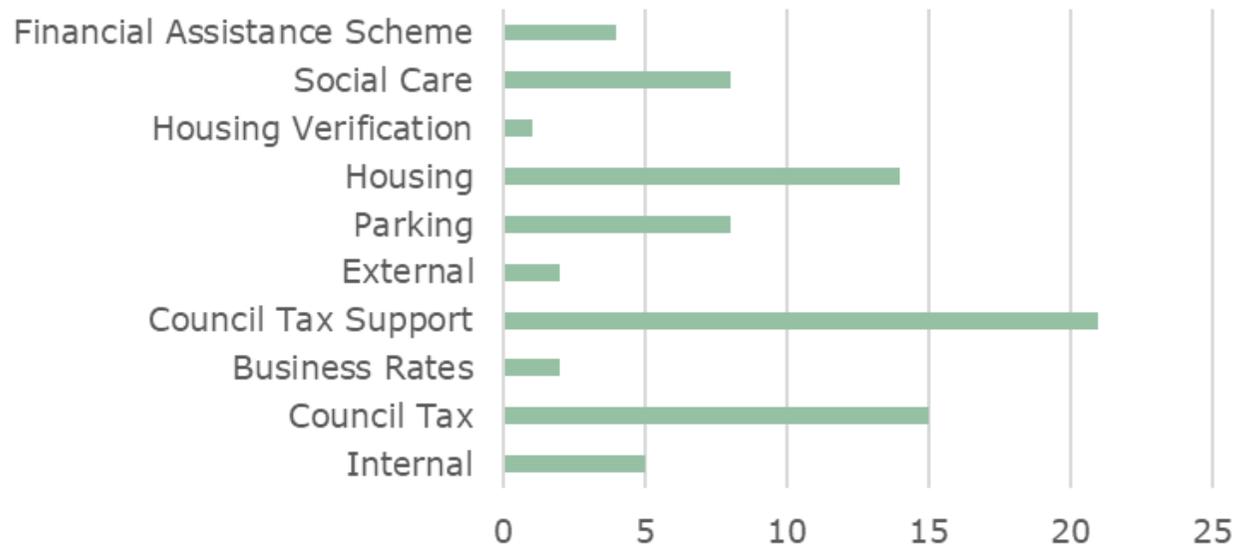
⁶ Verification cases are reviews of applications for Right to Buy and school placements.

The chart below shows a breakdown of the counter fraud savings identified this year (£203k) by area of fraud.



The following chart shows the proportion of different case types under investigation (80) as at 31 January 2026.

CASES UNDER INVESTIGATION



Activity	Work completed or in progress
Fraud detection and investigation	<p>The service promotes the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity to date includes the following:</p> <ul style="list-style-type: none"> • Housing fraud – Fifteen housing fraud investigations have been completed. Two council properties have been recovered and been allocated to families on the housing waiting list. One Right to Buy application has been blocked. There are fifteen ongoing investigations. • Adult Social Care fraud – The team has completed five investigations in this area and eight are ongoing. Fraud in this area relates to deprivation of capital, financial abuse, direct payment fraud, and abuse of position. Investigation work this year has identified £60k of loss to the council. • Internal fraud – Seven internal fraud investigations have been completed in 2025/26 and there are five cases ongoing. • Council Tax and business rates fraud – Council Tax fraud often involves households falsely claiming single person discount, however other types of discounts can also be abused. Business rate fraud relates to false or incorrect claims for discounts like small business rate relief. Thirteen investigations have been completed and 17 are ongoing. • Parking fraud – Parking fraud often relates to blue badge abuse, however the team also investigates the misuse of residential parking permits by landlords of holiday lets. Twenty investigations have been completed – 15 relating to blue badges, four to parking permits, and one to a bus pass. Two people have been prosecuted for blue badge fraud. Four people accepted formal cautions in lieu of prosecution and six have received formal warnings about their conduct. Four residents parking permits have been removed from people as they were being used commercially, eg guest houses and holiday lets.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • External (or third-party) fraud – Fraud in this area relates to financial scams perpetrated against the council, eg grant and mandate fraud. Seven investigations have been completed and one is ongoing. • Council Tax Support fraud – Two Council Tax Support (CTS) cases have been completed and there are 21 under investigation. Fraud in this area can occur when claimants provide false information when they apply for support or if they fail to declare changes to their income or assets. One person has been issued a warning, and an overpayment has been generated in a second case. • York Financial Assistance Scheme fraud – The YFAS scheme provides help to residents who are facing financial difficulties or emergency situations. Fraudulent applications can be made by people misrepresenting their circumstances and/or residency. Two investigations have been completed to date, and four cases are under investigation.



Meeting:	Audit and Governance Committee
Meeting date:	11/03/2026
Report of:	Head of Internal Audit (Veritau)
Portfolio of:	Cllr Lomas Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

Audit and Governance Committee Report: Internal audit work programme 2026/27

Subject of Report

1. This report seeks the committee's approval for the indicative programme of internal audit work to be undertaken in 2026/27.

Policy Basis

2. The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These are Institute of Internal Auditors' Global Internal Audit Standards and the Application Note: Global Internal Audit Standards in the UK Public Sector ('Application Note').
3. Taken together, these are referred to as the 'Global Internal Audit Standards in the UK Public Sector' (GIAS UK Public Sector).
4. The Application Note directs local government sector bodies to CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government ('the Code'). The Code is aimed at those responsible for ensuring effective governance arrangements for internal audit.
5. Professional standards require the Head of Internal Audit to communicate the internal audit service's plans (referred to by Veritau as a 'work programme') to senior management and the Audit and Governance Committee for review and approval.

Recommendation and Reasons

6. The Audit and Governance Committee is asked to:
- approve the 2026/27 internal audit work programme.

Reason

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

Background

Overview

7. The council's internal audit service has to comply with the GIAS UK Public Sector, and the council's own internal audit charter.
8. The GIAS UK Public Sector 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.
9. 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 indicative programme of internal audit work for 2026/27.

2026/27 internal audit work programme

10. An indicative risk-based internal audit work programme is drawn up at the start of each year, setting out proposed priorities for assurance coverage over the coming twelve months.
11. The internal audit programme included in annex 1 outlines current priorities for work in 2026/27. It includes proposed areas of audit coverage and is based on a risk assessment undertaken by Veritau. The work programme has also been informed by discussions with senior officers and members, and through review of risk management arrangements, organisational priorities and strategies, and plans for development and change within the council.

12. The internal audit work programme is a flexible working document. It is revisited, updated, and adjusted throughout the year to ensure it remains aligned with current risks and priorities and to ensure that coverage is sufficient to arrive at a robust and well-informed annual opinion

Consultation Analysis

13. The GIAS UK Public Sector require internal audit to independently form a view on the risks facing the council when preparing the plan or programme of work. However, they also require the opinions of the Audit and Governance Committee, and those of senior council officers, to be taken into account when forming that view.
14. The views of this committee were sought as part of the 2026/27 internal audit work programme consultation report presented at the 28 January 2026 meeting. Since then, consultation meetings have taken place with senior council officers across the organisation.
15. This report represents the conclusion of initial consultation on the development of the 2026/27 internal audit work programme. Views of councillors and officers have been considered in the programme's initial development. This will continue to be the case as the programme is updated and adjusted throughout 2026/27.

Risks and Mitigations

16. The council's internal audit service will not meet the requirements of the GIAS UK Public Sector if the internal audit work programme is not approved by the committee. This could result in external scrutiny and challenge.

Contact details

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Report approved:	Yes

Date:	27/02/2026
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Background papers

Internal Audit Work Programme Consultation 2026/27: [Annex 1 - Internal Audit Work Programme Consultation Report 2026-27.pdf](#)

Annexes

- Annex 1: Internal audit work programme 2026/27



Internal Audit Work Programme 2026/27

CONTENTS

- 3** Introduction
- 4** Strategic context
- 5** 2026/27 internal audit work programme
- 9** Appendix A: indicative internal audit work programme

Introduction



- 1 This report sets out the proposed 2026/27 programme of work for internal audit, provided by Veritau for City of York Council.
- 2 The work of internal audit is governed by the Global Internal Audit Standards in the UK Public Sector (GIAS UK Public Sector). These standards are made up of:
 - ▲ the Global Internal Audit Standards (GIAS), set by our professional body, The Institute of Internal Auditors, and
 - ▲ the Application Note: Global Internal Audit Standards in the UK Public Sector, produced by the Relevant Internal Audit Standard Setters¹.
- 3 The Application Note contains interpretations and requirements which need to be applied to the GIAS so that they form a suitable basis for internal audit practice in the UK public sector.
- 4 At the local level, the council has an internal audit charter. The charter addresses how internal audit is performed and governed, and its commitment to adhering to professional standards.
- 5 To conform to professional standards and the charter, the Head of Internal Audit must develop a plan based on a documented assessment of the council's strategies, objectives, and risks and on their understanding of governance, risk management, and internal control arrangements. The plan should also be informed by input from key stakeholders, such as senior management and this committee.
- 6 Internal audit work should be risk-based and dynamic, being undertaken in a way that supports achievement of organisational objectives. Accordingly, planned work should be reviewed and adjusted in response to changes to risks, priorities, operations, programmes, systems, and internal controls.
- 7 The GIAS UK Public Sector place a specific requirement on the Head of Internal Audit to prepare an overall conclusion (opinion), at the level of the organisation, about the effectiveness of governance, risk management, and internal control. This must be done at least annually in support of wider governance reporting.
- 8 The basis of the Head of Internal Audit's annual opinion is the outcomes from planned audit work undertaken over the year (referred to as the 'work programme'). Our work programmes include coverage of governance, risk management, and internal control which, in turn, allows an opinion to be given.

¹ The Relevant Internal Audit Standard Setter for UK local government is CIPFA.

- 9 At the 28 January 2026 meeting of this committee, we presented our work programme consultation report. This report explained how we approach development of the work programme by considering key areas of assurance, the council's risks, and its priorities to define a body of work from which an independent and well-informed opinion can be given.

Strategic context



- 10 Sustained real terms reductions in central government funding for over a decade continue to put the council's financial sustainability under real threat. Following finalisation of the government's three-year settlement in February 2026, the financial outlook is now even more severe.
- 11 The settlement means that the council's non-council tax funding will reduce by £20m over the next three years, equivalent to 10% of its current core spending power². This is mainly due to the council's relative need having dropped by 9.3%, with York having been assessed as the seventh least deprived local authority area in the country.
- 12 The second major reform to government funding was council tax equalisation. The government used an assumed level of council tax which was set higher than the council's actual 2026/27 council tax base. The result is that the council's settlement was reduced by £135m, despite only being able to raise £127.2m in council tax.
- 13 The £200m funding envelope available between 2026/27 and 2028/29 means that the council's per capita funding is £924. Only one other local authority has lower per capita spending power. It is expected that, by 2028/29, York will be lowest funded local authority area in the country. This is compounded by the fact that York is part of one of the lowest health-funded regions in the country.
- 14 In the face of these unprecedented financial pressures, the council will need to ensure that it is appropriately positioned and equipped to deal with the scale of cost reduction and transformation required to maintain its long-term financial viability. 2026/27 represents a key year for the council's transformation programme. It is essential that the programme is well governed to ensure that it delivers across its key workstreams.
- 15 The consequence of the budget pressures is that more funding will need to be diverted from other services to protect core social care and children's services being delivered to the city's most vulnerable residents. This is while these demand-led services continue to exert their own pressures as a result of unfavourable market conditions and an increasing volume and complexity of need. In addition, the council's adult social care services were rated as 'requiring improvement' in the CQC's December 2025 inspection report. The pressures already mentioned and the need to raise service standards has required a further investment of £10m in this area.

² Financial Strategy 2026/27 to 2030/31 (Executive, 27 January 2026)

- 16 Meanwhile, the council continues to invest in an extensive and ambitious programme of major capital projects. Large sums have been committed to complex, high profile, multi-year projects. While these projects present significant opportunities for the council, they also bring with them considerable risks. These risks are heightened due to the impact of the cost of borrowing on the revenue budget, exposure to cost increases, and cash flow deficits.
- 17 Maintaining effective operational arrangements is an essential building block towards achieving the council's strategic objectives and navigating risks to delivery. Internal audit contributes to overall objectives by helping to ensure that systems of governance, risk management and control that underpin operational arrangements are robust.
- 18 To maximise the value of internal audit, it is vital that we provide assurance in the right areas at the right time. We've designed the processes for developing the internal audit work programme, and refining it through the year, to do that.

2026/27 Internal audit work programme



The 2026/27 indicative internal audit work programme

- 19 The work programme for 2026/27 is set out in appendix A, beginning on page 9.
- 20 The overall level of service is based on an indicative number of days, for planning purposes (1,023 for 2026/27). Figure 4, below, shows the proportion of time we expect to deliver across each area during the year.
- 21 The proposed areas of coverage in the 2026/27 work programme have been subject to consultation with this committee, Directorate Management Teams, and with other senior officers from across the council.
- 22 Functionally, the indicative programme is structured into a number of areas, as set out in table 1, below.

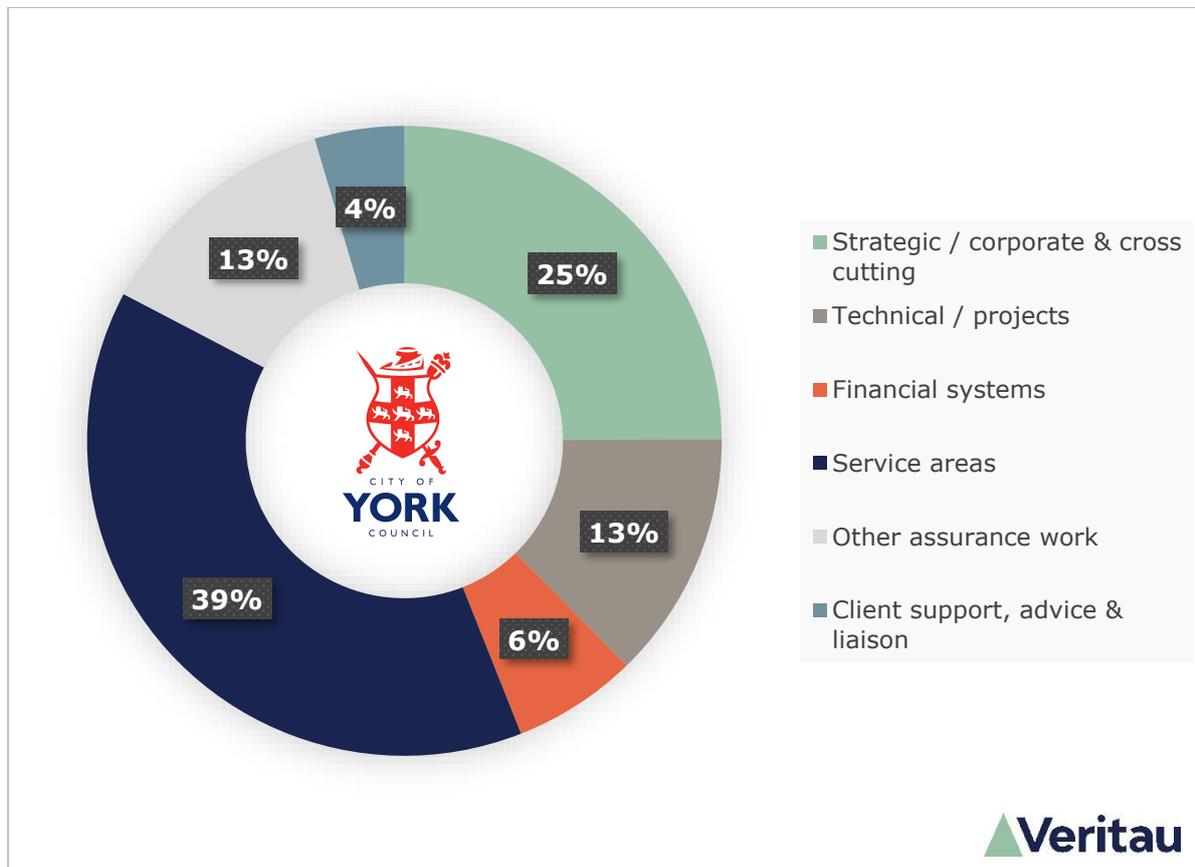
Table 1: Work programme functional areas.

Programme area	Purpose
▲ Strategic / 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.

▲ Financial systems	To provide assurance on the key areas of financial risk. This helps provide assurance to the council that risks of loss or error are minimised.
▲ Service areas	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 management.
▲ 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.

23 Figure 1, below, shows the proportion of time we expect to spend delivering work across each area during the year.

Figure 1: 2026/27 work programme: indicative functional area split.



The 'do now', 'do next', 'do later' audit prioritisation system



- 24 Once initial internal audit priorities have been identified through application of the opinion framework, we then overlay a second system of prioritisation. This system allows us to determine the relative priority of audits included in the indicative work programme.
- 25 This second prioritisation system sees audits assigned to one of three categories, as shown in figure 2, below.

Figure 2: 'do now', 'do next', 'do later' prioritisation system.



- 26 Decisions on which of the three categories internal audit work falls into will be based on judgement, and will be made having given consideration to the prioritisation factors in table 2, below. These will result in internal audit work being considered a relatively higher or lower priority at the time of assessment.

Table 2: Internal audit prioritisation factors.

Prioritisation factors	
▲ where we have no recent audit assurance, or other sources of information	▲ where controls are changing and / or risks are increasing
▲ where we are following up previous control weaknesses	▲ where specific issues are known to have arisen
▲ that are of significant importance to the council, for example they reflect key objectives or high priority projects	▲ that provide broader assurance, for example corporate policies and frameworks
▲ that need to be covered to enable us to provide an annual opinion	▲ where there are time pressures or scheduling requirements, for example grant deadlines, or work scheduled to minimise the impact on council service areas at busy times

- 27 The above factors will be used on an ongoing basis to decide what internal audit work will be carried out, and when, during the course of the year. These decisions will be made in consultation with the council through our ongoing dialogue with senior officers. Individual pieces of work will move between the three categories, as required, based on their priority at the time of assessment.

- 28 For example, an audit scheduled for quarter three to minimise the impact on a service area may initially be classed as to 'do later' but will become 'do now' as we move into quarter three. Similarly, an audit of a council project classed as 'do now' because it represents an area of high importance may move from 'do now' to 'do next' or 'do later' if the project slips or planned work cannot be undertaken until a specific point is reached. Towards the end of the year, audits classed as 'do later' are likely to be deferred until the following year.
- 29 It is important to emphasise two important aspects of the programme. Firstly, the audit activities included in appendix A are not fixed. As described above, work will be kept under review to ensure that audit resources are deployed to areas of greatest risk and importance to the council. This is to ensure the audit process continues to add value.
- 30 Secondly, it will not be possible to deliver all of the audit activities listed in the programme. The programme has been intentionally over-planned, to build in flexibility from the outset while also providing an indication of the priorities for work at the time of assessment. Over-planning the programme enables us to respond quickly by commencing work in other areas of importance to the council when risks and priorities change during the year.
- 31 The committee will be provided with information on current internal audit priorities throughout the year as part of regular progress reporting.

APPENDIX A: indicative internal audit work programme 2026/27

Programme area	Potential internal audit activity
Strategic / corporate & cross cutting	<ul style="list-style-type: none"> ▲ Building security (West Offices and Hazel Court) ▲ Contract management ▲ Corporate complaints ▲ Data quality ▲ Financial maturity and culture ▲ Health surveillance ▲ Incident management and business continuity ▲ Performance management framework ▲ Physical information security compliance ▲ Procurement compliance ▲ Procurement forward planning ▲ Purchasing cards, online accounts, and petty cash ▲ Savings delivery
Technical / projects	<ul style="list-style-type: none"> ▲ Cloud and third-party security ▲ Cybersecurity and user awareness ▲ Database and application security ▲ Capital programme governance ▲ Contract management: major project delivery (follow-up) ▲ Highways and transportation capital programme management ▲ Local Net Zero Accelerator: City Leap Accelerator Project

Programme area	Potential internal audit activity
	▲ Transformation programme governance
Financial systems	<ul style="list-style-type: none"> ▲ Council tax and NNDR ▲ Housing rents ▲ Ordering and creditor payments ▲ Sundry debtors
Service areas	<ul style="list-style-type: none"> ▲ Blue badge applications ▲ Building control ▲ Environmental health ▲ Highways maintenance ▲ Homelessness and housing options ▲ Housing allocations ▲ Housing management system: data integrity ▲ Housing repairs ▲ Housing safety compliance (fire safety) ▲ Housing safety compliance (gas safety) ▲ Licensing ▲ YorHome (phase 3) ▲ Adult social care strategies ▲ All-age commissioning ▲ Front door service (adult social care) ▲ Telecare service ▲ Children's continuing care

Programme area	Potential internal audit activity
	<ul style="list-style-type: none"> ▲ Foster carer payments (follow-up) ▲ Free early education funding ▲ Huntington Secondary School ▲ School attendance and fixed penalty notices ▲ St Oswald's CE Primary School
Other assurance work	<ul style="list-style-type: none"> ▲ Follow-up of previously agreed management actions ▲ Continuous audit planning and additional assurance gathering to help support our opinion on the framework of risk management, governance and internal control ▲ Continuous assurance work, including data analytics and data matching projects Attendance at, and contribution to, governance- and assurance-related working groups
Client support, advice & liaison	<ul style="list-style-type: none"> ▲ Committee preparation and attendance ▲ Key stakeholder liaison ▲ Support and advice on control, governance and risk related issues

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Audit & Governance Committee – 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
6th May 2026			
Governance	Information Governance Performance Report	<u>CYC</u> <u>Eilidh Carricker</u>	
1st July 2026			
Risk	Key Corporate Risk Monitor 1	<u>CYC</u> <u>David Walker</u>	
Finance	Treasury Management 2025/26 Outturn	<u>CYC</u> <u>Debbie Mitchell</u>	
Finance	2025/26 statement of accounts - draft	<u>CYC</u> <u>Debbie Mitchell</u>	
16th September 2026			
Finance	Treasury Management 2026/27 Quarter 1	<u>CYC</u> <u>Debbie Mitchell</u>	
4th November 2026			
Governance	Information Governance Performance Report	<u>CYC</u> <u>Eilidh Carricker</u>	
Risk	Key Corporate Risk Monitor 2	<u>CYC</u>	

		<u>David Walker</u>	
Finance	Treasury Management 2026/27 Quarter 2	<u>CYC</u> <u>Debbie Mitchell</u>	
27th January 2027			
Risk	Key Corporate Risk Monitor 3	<u>CYC</u> <u>David Walker</u>	
Finance	Treasury Management 2026/27 Quarter 2	<u>Debbie Mitchell</u>	
Finance	2025/26 statement of accounts – final	<u>CYC</u> <u>Debbie Mitchell</u>	
3rd March 2027			
Risk	Key Corporate Risk Monitor 4	<u>CYC</u> <u>David Walker</u>	

Upcoming items:

- Councillor Code of Conduct



Meeting:	Audit and Governance Committee
Meeting date:	11/03/2026
Report of:	Head of Internal Audit (Veritau)
Portfolio of:	Cllr Lomas Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

Audit and Governance Committee Report: Internal Audit Progress Report 2025/26

Subject of Report

1. This report provides an update on the delivery of the internal audit work programme for 2025/26, and plans for delivery over the remainder of the year.

Policy Basis

2. The work of internal audit in local government is governed by the Global Internal Audit Standards in the UK Public Sector. This regime, which came into effect on 1 April 2025, is made up of the Institute of Internal Auditors' Global Internal Audit Standards (including Topical Requirements), and the Application Note: Global Internal Audit Standards in the UK Public Sector.
3. In accordance with these standards, periodic reports on internal audit work are presented to the Audit and Governance Committee.

Recommendation and Reasons

4. The Audit and Governance Committee is asked to:

- Note the progress made in delivering the 2025/26 internal audit work programme, and plans for delivery over the remainder of the year

Reason

To enable members to consider the implications of internal audit findings, and to review planned activity for the remainder of 2025/26.

Background

5. The 2025/26 internal audit work programme was approved by the Audit and Governance Committee at its meeting on 17 March 2025.
6. To conform with professional standards, and the council's audit charter, the Head of Internal Audit must report periodically to the committee on the progress made against the internal audit work programme, and on the results of audit activities undertaken.
7. Annex 1 to this report provides an update on progress made in delivering the internal audit work programme. This includes a summary of completed work, work currently in progress, and work no longer programmed for 2025/26 but currently prioritised for delivery in 2026/27. It also reports on outcomes from the follow-up of actions agreed in previous audit reports.

Consultation Analysis

8. Senior council officers and this committee were consulted during the development of the 2025/26 work programme on which this progress report is based. However, no consultation was required in the preparation of this report.

Risks and Mitigations

9. The council will not comply with proper practice for internal audit if the results of internal audit work are not reported to senior management and the Audit and Governance Committee. This could result in external scrutiny and challenge.

Contact details

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Date:	27/01/2026

Background papers

- 72. Internal Audit Work Programme

Annexes

- Annex 1: Internal audit progress report 2025/26
- Exempt annex 2: ICT disaster recovery
- Exempt annex 3: Follow-up audit – risk management
- Exempt annex 4: School themed audit: governance
- Exempt annex 5: Service and role-specific training
- Exempt annex 6: Sundry debtors
- Exempt annex 7: Main accounting system
- Exempt annex 8: Danesgate Community School
- Exempt annex 9: Contract management – major project delivery

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Internal Audit Progress Report 2025/26

Date: 11 March 2026

ANNEX 1

CONTENTS

3	Background
3	Internal audit progress
4	Follow up
5	Appendix A: Internal audit work in 2025/26
8	Appendix B: Current priorities for internal audit work
11	Appendix C: Summary of key issues from finalised audits
19	Appendix D: Assurance audit opinions and finding priorities
20	Appendix E: Follow up of agreed actions



BACKGROUND

- 1 Internal audit provides independent and objective assurance and advice about the council's operations. It helps the organisation to achieve its overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control, and governance processes.
- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Global Internal Audit Standards and the Application Note: Global Internal Audit Standards in the UK Public Sector.
- 3 In accordance with the Global Internal Audit Standards (UK Public Sector) the Head of Internal Audit is required to report progress against the internal audit plan (the work programme) agreed by the Audit & Governance Committee, and to identify any emerging issues which need to be brought to the attention of the committee.
- 4 The internal audit work programme was agreed by this committee in March 2025.
- 5 Veritau adopts a flexible approach to work programme development and delivery. Work to be undertaken during the year is kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the council.
- 6 The purpose of this report is to update the committee on internal activity up to 20 February 2026, and to outline current plans for delivery over the remainder of the year.



INTERNAL AUDIT PROGRESS

- 7 A summary of internal audit work currently underway, as well as work finalised in the year to date, is included in appendix A. Appendix A also details other work completed by internal audit during the year.
- 8 Since our last report to this committee, eight audits have been finalised. A further seven internal audit engagements have reached draft report stage. These will be finalised over the coming weeks.
- 9 A total of 12 audits are in progress at the time of reporting. We expect these audits to have reached the reporting stage by the next committee meeting.
- 10 In addition to the internal audit engagements discussed above, we have also continued to support the council by certifying central government grants, undertaking consultative engagements, and providing support and advice on governance, risk and control related matters.
- 11 The internal audit work programme is designed to include all potential areas that should be considered for audit in the short to medium term,

recognising that not all of these will be carried out during the current year (work is deliberately over-programmed).

- 12 The 2025/26 work programme, showing current priorities for internal audit work, is included in appendix B. All work is now categorised as either 'do now' or 'do later'.
- 13 Audits categorised as 'do now' will be undertaken over the remainder of 2025/26 and, once completed, will mark the conclusion of the current year's work programme.
- 14 The relative priority of all other audits previously included in appendix B has been considered, alongside other audit priorities that have emerged during consultation on the 2026/27 internal audit work programme. Those audits categorised as 'do later' in appendix B are those which have been reassessed as priorities to deliver in 2026/27. The programme for 2026/27 is being presented to the committee as part of another item on the agenda.
- 15 The eight audits that have been finalised since the last report to this committee are included in appendix C. The appendix summarises the key findings from these audits, and includes actions agreed with officers to address identified control weaknesses. The finalised reports in appendix C are also included as exempt annexes to this report.
- 16 Appendix D provides the definitions for our audit opinions and finding ratings.

FOLLOW UP

- 17 All actions agreed with services as a result of internal audit work are followed up to ensure that issues are addressed. As a result of this work, we are generally satisfied that sufficient progress is being made to address the control weaknesses identified in previous audits.
- 18 A summary of the current status of follow up activity is included at appendix E.

APPENDIX A: INTERNAL AUDIT WORK IN 2025/26

Final reports issued

Audit	Reported to Committee	Opinion
Safety Valve (implementation review)	May 2025	Substantial Assurance
Housing benefits	May 2025	Substantial Assurance
NHS Data Security and Protection Toolkit: accountable suppliers	May 2025	No Opinion Given
School themed audit: purchasing and best value	July 2025	Reasonable Assurance
Communications	July 2025	No Opinion Given
Funded early education	July 2025	Reasonable Assurance
Member induction programme	July 2025	No Opinion Given
Commercial asset performance	July 2025	Substantial Assurance
Savings plans	July 2025	Reasonable Assurance
Clifton Green Primary School	July 2025	Reasonable Assurance
Elvington Primary School	November 2025	Reasonable Assurance
Carbon adaptation and reduction	November 2025	Substantial Assurance
Physical information security	November 2025	Reasonable Assurance
Schools themed audit: premium allocations	November 2025	Substantial Assurance
Public EV charging strategy	November 2025	Substantial Assurance
Free school meals: auto-enrolment	November 2025	Substantial Assurance
Recruitment and selection	November 2025	Reasonable Assurance
Contract management	November 2025	Reasonable Assurance
ICT disaster recovery	March 2026	Reasonable Assurance
Follow-up audit: risk management	March 2026	Reasonable Assurance
Schools themed audit: governance	March 2026	Reasonable Assurance

Audit	Reported to Committee	Opinion
Service and role-specific training	March 2026	Reasonable Assurance
Sundry debtors	March 2026	Substantial Assurance
Main accounting system	March 2026	Substantial Assurance
Danesgate Community School	March 2026	Reasonable Assurance
Contract management: major project delivery	March 2026	Limited Assurance

Audits in progress

Audit	Status
Information access request management	In draft
Children & Education Directorate: local scheme of delegation	In draft
Performance management	In draft
Residential care: Ousecliffe and Wenlock Terrace	In draft
Flexitime and annual leave	In draft
Absence management	In draft
Unaccompanied asylum seeker children	In draft
Travel and subsistence	In progress
Ordering and creditor payments (P2P action plan and verification)	In progress
Payments to care providers and contract management (ASC&I)	In progress
Home to school transport	In progress
Cybersecurity: user account management	In progress
Payroll	In progress
Right To Buy	In progress
Children's direct payments	In progress
St Mary's CE Primary School	In progress
Westfield Primary Community School	In progress

Audit	Status
Section 106 agreements	In progress
Data quality and security: applications	In progress

Other work completed in 2025/26

Internal audit work has been undertaken in a range of other areas during the year, including those listed below.

- ▲ Follow up of agreed actions
- ▲ Refresh of the follow-up and escalation procedure, with regular reporting to the Governance, Risk and Assurance Group
- ▲ Grant certification work:
 - ▲ Scambusters
 - ▲ UK Shared Prosperity Fund programme assurance (2024/25)
 - ▲ HUG2
- ▲ Consultative engagements:
 - ▲ Fact-finding review into manual creditor payments
 - ▲ Fact-finding review into the management of services provided by YorHome
 - ▲ Fact-finding review into the engagement of consultations on the York Station Gateway project
- ▲ Provision of support and advice:
 - ▲ Preparation of a briefing note on CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government ('the Code')
 - ▲ Support with undertaking the council's self-assessment against the Code
 - ▲ Holiday let commercial waste income collection procedures

APPENDIX B: CURRENT AUDIT PRIORITIES

Audit / Engagement	Rationale
Strategic / corporate & cross cutting	
Do now	
Travel and subsistence	Identified in consultation with officers.
Performance management	No recent coverage. Provides coverage of a key assurance area.
Flexitime and annual leave	Identified in consultation with officers.
Absence management	Emerging risk area.
Information access request management	No recent coverage. Risks / controls are changing.
Data quality and security: applications	Provides broader assurance.
Do later	
Building security (West Offices and Hazel Court)	
Physical information security	
Procurement Act compliance	
Contract management	
Risk management (maturity assessment)	
Management of York & North Yorkshire Combined Authority funding	
Financial systems	

Do now

Ordering and creditor payments (P2P action plan and verification)	Being undertaken to verify progress made in implementing improvements to control.
Payroll	Key financial system. Risks / controls are changing.

Do later

Council Tax and NNDR	No recent coverage. Provides coverage of a key assurance area.
Housing rents	Risks / controls are changing.

Service areas**Do now**

Payments to care providers and contract management (ASC&I)	No recent coverage. Provides coverage of a key assurance area.
Residential care: Ousecliffe and Wenlock Terrace	Being undertaken in response to known areas for improvement.
Unaccompanied asylum seeker children	Emerging risk area.
Children & Education Directorate: local scheme of delegation	Risks / controls are changing. Provides coverage of a key assurance area.
Home to school transport	Risks / controls are changing. Known area of pressure.
Westfield Primary School	Identified in consultation with officers.
St Mary's CE Primary School	Identified in consultation with officers.
Children's direct payments	Risks / controls are changing.
Right To Buy	Risks / controls are changing. Changes to government policy.
Section 106 agreements	Being undertaken at the request of the committee.

Do later

Foster carer payments (follow-up audit)

Children's continuing care

Schools themed audit: procurement

Licensing

Technical / projects**Do now**

Cybersecurity: user account management

Provides coverage of a key assurance area.

Do later

Project governance (major projects)

Project management (gateway reviews)

ICT emergency response & business continuity
planning

APPENDIX C: SUMMARY OF KEY ISSUES FROM AUDITS FINALISED SINCE THE LAST REPORT TO THE COMMITTEE

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
ICT disaster recovery (November 2025)	Reasonable Assurance	This audit reviewed the council's ICT disaster recovery arrangements.	<p>The council has key ICT disaster recovery arrangements in place and its current plan is clear, accessible and regularly updated. Roles are defined and incident action cards support responses, although detailed playbooks are not yet in place.</p> <p>Recovery priorities are set by ICT, without structured input from service areas.</p> <p>Disaster recovery testing is informal, relying on lessons from real incidents rather than being formally scheduled. Backup arrangements and security controls are robust.</p>	Actions to address weaknesses will be agreed as part of phase two of the ICT disaster recovery audit (scheduled for 2026/27).
Follow-up audit: risk management (November 2025)	No Opinion Given	The purpose of this audit was to review the council's arrangements for identifying, managing, and	Although some progress was evident, with the Risk Management Team beginning to reestablish its support and facilitation role, this had not been fully embedded between directorates and across service areas	A detailed management response to the report and its recommendations was provided. In summary, the response cited improvements made (and in progress) while also recognising

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
		reporting directorate and service risks in accordance with corporate requirements. It was undertaken as a follow-up of the 2023/24 audit.	<p>sufficient for them to continue risk management work independently. This also meant that agreed processes, including the issuing of quarterly risk reports, had not been regularised.</p> <p>While arrangements for risk management remain inconsistent across directorates, and the council's risks are not visible on a council-wide basis, the risk management process is not embedded to the level expected in the policy and strategy.</p>	that the council's policy and strategy need to be reviewed to reflect the council's desired approach to risk management.
Schools themed audit: governance (November 2025)	Reasonable Assurance	The purpose of this audit was to provide assurance that maintained schools met statutory governance requirements.	Governance arrangements met statutory requirements, with appropriate structures and up-to-date schemes of delegation. However, some schools lacked a documented governance framework for the full governing body, committee terms of reference had not been recently reviewed, and declarations of interest had not been fully updated. Minutes, agendas and documentation were generally available and minutes	<p>A number of actions were agreed to address the identified control weaknesses. These included:</p> <ul style="list-style-type: none"> ▲ Reviewing training records termly ▲ Clearly capturing outcomes and actions from skills audits ▲ Making cybersecurity and data protection training mandatory for at least one governor ▲ Formalising and including the role of the Finance Committee chair / school business

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			<p>evidenced appropriate challenge. Policy schedules were maintained well overall.</p> <p>Governor membership and attendance were mostly strong, but some vacancies, outdated skills audits and unclear training records were noted.</p> <p>Contract registers were kept but risk registers and website compliance checks were inconsistent across schools.</p>	<p>manager link in committee terms of reference</p> <ul style="list-style-type: none"> ▲ Improving arrangements for providing 'Get Information About Schools' data ▲ Standardising risk registers and guidance, and ensuring termly review of risks ▲ Adoption of the contract register template already shared with schools ▲ Including school website checks in the annual framework.
<p>Service and role-specific training (November 2025)</p>	<p>Substantial Assurance</p>	<p>This audit reviewed the council's arrangements for identifying, monitoring and recording training required within adult social care, children and education, and housing.</p>	<p>The council's MyLo system provides a strong basis for managing training, with effective tools for assigning courses, tracking completion and maintaining certifications.</p> <p>Training matrices are well designed and updated through regular engagement between services and the Workforce Development Unit. However, not all courses are yet on MyLo, meaning that some services rely on manual records.</p>	<p>A reminder will be issued reinforcing the requirement to ensure that staff training completions are promptly recorded on MyLo. The reminder will also emphasise the need for timely renewal of service and role-specific training to prevent lapses.</p> <p>The Workforce Development Unit will promote the use of existing MyLo functionality and the annual</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			MyLo is not always updated to reflect the true status of training, resulting in inaccurate or incomplete information. Reporting arrangements also varied, with no consistent process for escalating training performance at directorate level.	Learning Needs Analysis to support consistent oversight of training compliance. Through this exercise, it will be recommended that Directorate Management Teams discuss training issues quarterly, and awareness of available MyLo system support will be reinforced.
Sundry debtors (December 2025)	Substantial Assurance	This audit reviewed the council's arrangements for issuing invoices, collecting and recording income, monitoring debt, and writing off debt.	<p>Invoices are raised accurately with proper supporting information, and no duplicates were found. Only a very small number of duplicate debtor accounts and unallocated suspense items exist, and both were being addressed at the time of the audit. The council's corporate debt policy and guidance on raising invoices are outdated and do not fully reflect current practice.</p> <p>Income is correctly allocated, and credit notes are properly authorised (albeit with occasional delays in processing).</p>	<p>Debt forums will be established for the Adult Social Care and Integration directorate, and similar measures introduced for non-adult social care debt.</p> <p>Details of service-area specific debt recovery procedures will be documented. The corporate debt policy will be reviewed, and a suitable review schedule established. Existing guidance on raising invoices will also be updated.</p> <p>Refunds will now be processed twice a week. The debtors team will regularly produce a report of</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			<p>Debt is monitored but recovery is inconsistent and not always sustained, with older debts being significant in volume and value.</p> <p>Debt write-offs are well controlled and authorised, although accounts could be closed more promptly.</p>	<p>outstanding refunds. The income services team will then be notified that there are refunds to process.</p>
Main accounting system (December 2025)	Substantial Assurance	The purpose of this audit was to provide assurance on access arrangements to the financial management system and on the performance of key in-system activities.	<p>Access to the financial management system (FMS) is appropriately restricted and supported by layered controls, but weaknesses in user access management—such as complex access structures, inconsistent forms, and delays for movers and leavers—reduce assurance that access remains appropriate.</p> <p>Controls over journals, virements and year-end processes are generally effective, although virement guidance could be clearer.</p> <p>Feeder system data is transferred accurately, with timely uploads and reconciliations.</p>	<p>Service managers' responsibilities for user access management, particularly regarding the timely completion or user access forms when roles or responsibilities change, will be reinforced, and communicated.</p> <p>The user access management process will be enhanced by streamlining access categories and clearly defining the permissions associated with each, based on typical role requirements. User access request forms will be updated to ensure they are clearer, more</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			Suspense and control accounts are reviewed regularly, with reasonable balances and prompt resolution of discrepancies.	user-friendly, and aligned with the revised process. The virements guidance will be reviewed and updated to clearly define what constitutes a virement, and to clarify the associated processes for managing and approving them and evidencing approval on the FMS.
Danesgate Community School (December 2025)		This audit reviewed the governance and financial management arrangements at Danesgate Community School - a specialist provider for pupils with social, emotional and mental health needs.	Danesgate Community Pupil Referral Unit's management committee operates within a compliant legal constitution, with statutory policies and website content up to date. Governance is effective, with regular meetings, challenge, and budget oversight. However, some gaps in governor training and inconsistent financial delegations were noted. Financial processes are generally sound. Systems and controls for purchasing, income, payroll, payment cards, reconciliations and petty cash are appropriate but some	A review of governor training and skills will be conducted to identify training requirements. Training will be a regular item on management committee meetings and governors will be signposted to the training available through the council's governance team. The financial management policy will be reviewed. The debt management policy will be reviewed. Debt management will be a standing item on

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			<p>financial policies lack sufficient guidance to support their practical implementation.</p> <p>The school's contract register lacks key detail, and some contracts have not been recently reviewed.</p>	<p>Finance and Resource committee meeting agendas.</p> <p>The contract register will be updated to ensure that it contains information to assist governors in overseeing contract management.</p>
<p>Contract management: major project delivery (January 2026)</p>	Limited Assurance	<p>The focus of this audit was on how the main construction contracts for the Tadcaster Road project, Housing Delivery Programme, and York Station Gateway had been managed. However, in the case of York Station Gateway, we also evaluated officers' own review into the</p>	<p>The key finding from this audit related to the management of the York Station Gateway project. A number of weaknesses were identified, as follows:</p> <ul style="list-style-type: none"> ▲ entering the construction contract 'at risk', before legal agreements with statutory undertakers had been sufficiently progressed ▲ additional costs incurred as a result of changes during project delivery ▲ inaccuracy / incompleteness of financial implications in decision reports ▲ gaps in project governance, and insufficient delivery and support capacity. 	<p>A number of actions were agreed to address the identified control weaknesses. These included:</p> <ul style="list-style-type: none"> ▲ Reviewing and improving the existing Programme Management Office function (including resourcing and skills) ▲ Reviewing wider programme and contract governance arrangements ▲ Creating of dedicated construction / commercial contract management capacity ▲ Undertaking recruitment and creating a career pathway to better retain and grow talent in project management

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
		circumstances relating to the significant overspend and delays with the project.	The remaining findings related to inaccuracies in how York Station Gateway costs were presented in monthly project highlight reports, a lack of rigour in reviewing and approving the Tadcaster Road project brief, and inconsistency / unavailability of compensation event documentation.	<ul style="list-style-type: none"> ▲ Identifying and delivering training to key staff involved in construction project delivery ▲ Reviewing highlight reports to ensure that RAG ratings take account of multi-phase projects ▲ Adopting the NEC approach to managing and recording compensation events ▲ Undertaking a feasibility review on investing in a contract management system.

APPENDIX D: ASSURANCE AUDIT OPINIONS AND FINDING PRIORITIES

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

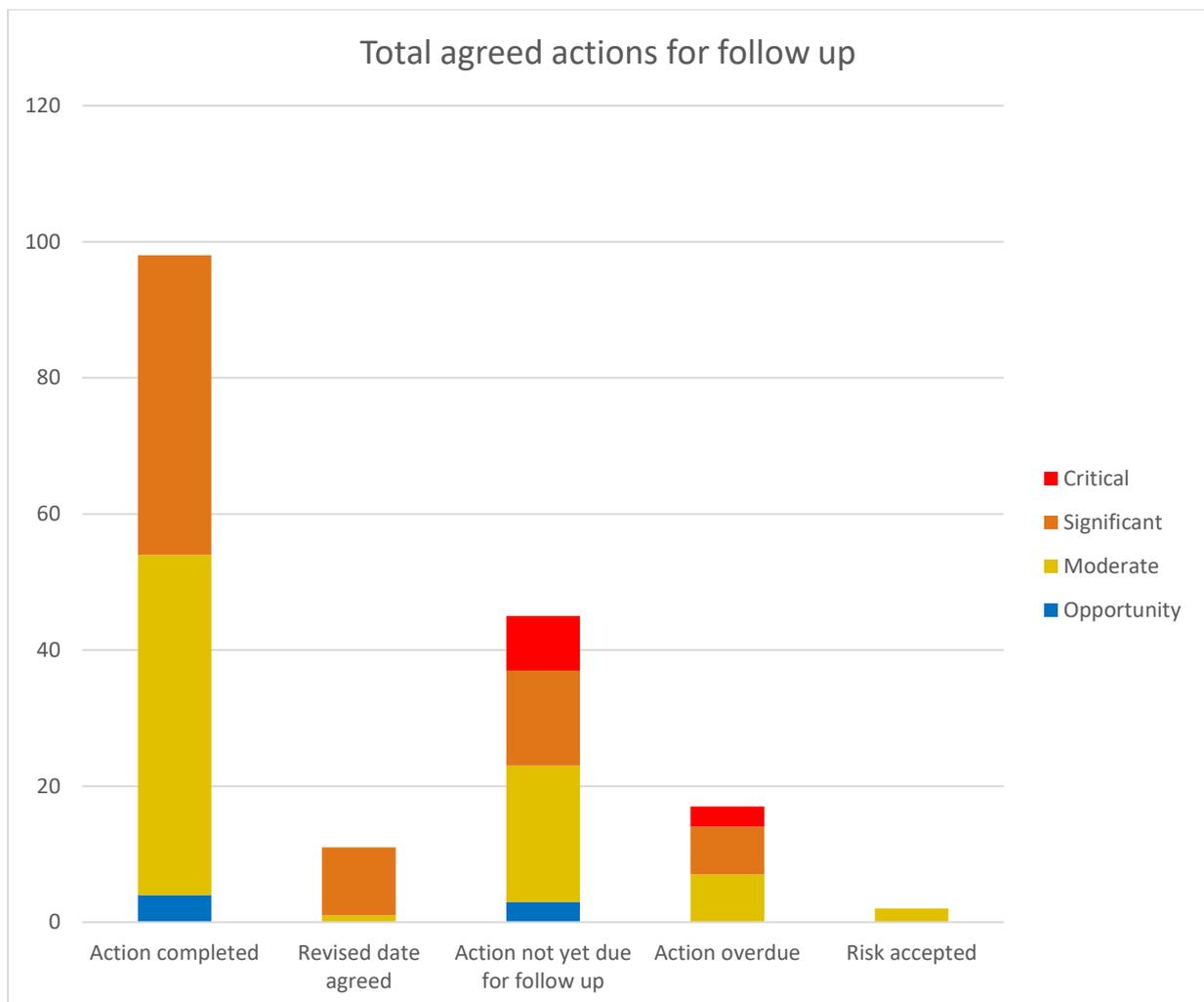
Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

APPENDIX E: FOLLOW UP OF AGREED AUDIT ACTIONS

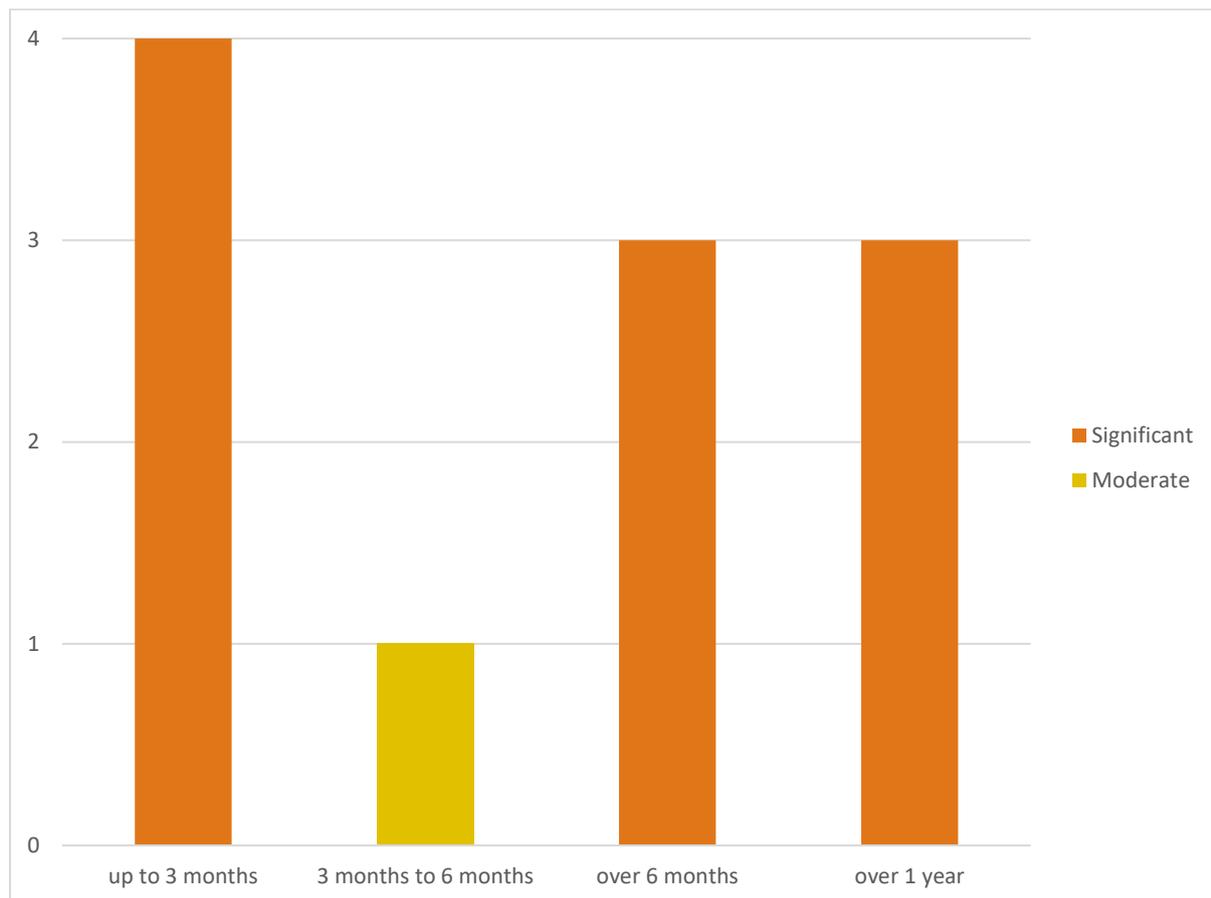
- 1 Follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary.
- 2 Where responsible officers have not taken the action they agreed to, issues are escalated to more senior officers. Ultimately, they may be referred to the Audit & Governance Committee in accordance with the follow-up and escalation procedure.
- 3 In figure 1, below, the status of agreed actions from follow-up activity undertaken between 1 April 2025 – 19 February 2026 is shown.
- 4 For clarity, the figure shows the results of follow up activity for this period, regardless of when actions were originally due (that is, it includes actions which were due prior to 1 April 2025 but which are still being followed up).
- 5 For completeness, it also shows actions which have been agreed in finalised audits, but which have not yet fallen due and so have not been followed up.

Figure 1: Total agreed actions by current status



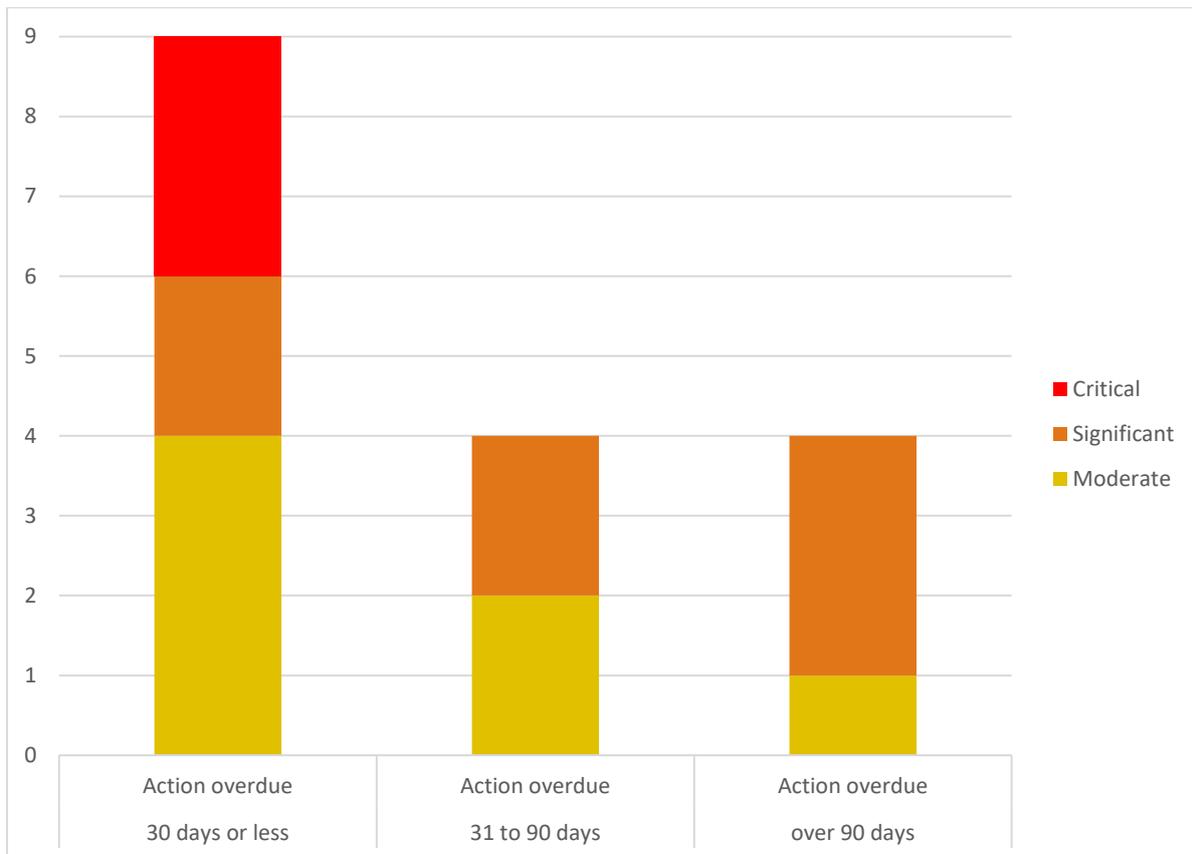
- 6 A total of 128 actions have been followed up so far this year. Of these, 98 have been satisfactorily implemented. 45 actions are not yet due for follow-up as their original implementation date has not passed at the time of reporting.
- 7 A total of 11 actions have had their original implementation timescale extended, with revised implementation dates being agreed with the action owner. We agree revised dates where the delay in addressing an issue will not lead to unacceptable exposure to risk and where the delays may be unavoidable. However, the committee should be aware that lengthy or continued revised dates do inevitably lead to a degree of risk exposure to the council.
- 8 Figure 2, below, shows how long dates have been revised from the original implementation date.

Figure 2: Length of revised dates agreed for action implementation



- 9 At the time of reporting, 17 actions are overdue. This is shown in figure 3, below.

Figure 3: Length of time actions have been overdue



- 10 Nine of the overdue actions have only just fallen due so follow up action is ongoing. For critical actions this will include detailed testing.
- 11 For seven of the eight actions overdue by more than 30 days we have received a response and the process of following up the action and drawing conclusions is ongoing.
- 12 There will usually be some instances like this at any point in time. It can be due to ongoing communication with the responsible officers to obtain evidence confirming completion of the action. It can also be due to instances where the action taken is not exactly as agreed and further work is being undertaken to assess whether the action taken does satisfactorily address the risk or because there are ongoing discussions about whether to agree revised dates for the action.
- 13 One action is overdue, and we have not yet received a response from the action owner. This is a moderate priority action. We will continue to pursue a response.
- 14 Overdue actions are escalated according to the agreed escalation policy, firstly to relevant directors, then to senior officers via GRAG (Governance, Risk and Assurance Group). They may subsequently be brought to the Audit & Governance Committee. At this stage, no overdue actions are being escalated to the committee.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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