

Notice of a public meeting of

Audit and Governance Committee

- To:** Councillors Lomas (Chair), Fisher (Vice-Chair), Baker, Cuthbertson, Musson, Wann, Webb and Leigh (Independent Member)
- Date:** Wednesday, 15 March 2023
- Time:** 5.30 pm
- Venue:** The Thornton Room - Ground Floor, West Offices (G039)

AGENDA

1. Declarations of Interest

At this point in the meeting, 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.

2. Exclusion of Press and Public

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

Annex 3 and 4 to Agenda Item 9 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).

3. Minutes (Pages 1 - 6)

To approve and sign the minutes of the meeting held on 7 February 2023.

4. 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 at 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 13 March 2023.

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.

During coronavirus, we made some changes to how we ran council meetings, including facilitating remote participation by public speakers. See our updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

5. Corporate Governance Report (Pages 7 - 24)

This report provides Members with updates in respect of:

- Corporate Governance performance indicators update;
- Information Commissioners Office (ICO) published decision notices from the previous report in November 2022 to date of preparing this report on 27th February 2023;
- Ombudsmen update including Local Government and Social Care Ombudsman (LGSCO) and Housing Ombudsman

Service (HOS) cases from the previous report in November 2022 to date of preparing this report on 27th February 2023.

6. External Audit Progress Report (Pages 25 - 46)

The Audit and Governance Committee are to receive a presentation from Mezars.

7. Key Corporate Risks monitor 4 (Pages 47 - 82)

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

8. Internal audit & counter fraud work programmes 2023/24 (Pages 83 - 100)

This report seeks the committee's approval for the indicative programme of internal audit work to be undertaken in 2023/24. It also includes the proposed programme of counter fraud work, for information.

9. Audit & Counter Fraud Progress Report (Pages 101 - 158)

This report provides an update on the delivery of the internal audit work programme for 2022/23 and on counter fraud activity undertaken so far in the year.

10. Urgent Business

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

Democracy Officer:

Name: Robert Flintoft

Telephone: (01904) 555704

Email: Robert.flintoft@york.gov.uk

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

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

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

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

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

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

 **(01904) 551550**

City of York Council

Committee Minutes

Meeting	audit and Governance Committee
Date	7 february 2023
Present	Councillors Lomas (Chair), Fisher (Vice-Chair), Cuthbertson, Wann, Webb, Leigh (Independent Member) And Fitzpatrick
Officers in Attendance	Bryn Roberts - Director of Governance and Monitoring Officer
Apologies	Councillor Musson

37. DECLARATIONS OF INTEREST

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

38. MINUTES

Resolved: That the minutes of the meeting held on 18 January 2023 be approved and then signed by the Chair as a correct record.

39. PUBLIC PARTICIPATION

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

Cllr Warters questioned the focus of the Local Government Association (LGA) report and Council response to the Public Interest Report (PIR) as the PIR related to actions of the Council leader and not wider issues. He questioned the success of any changes whilst the Council Leader remained in post.

Gwen Swinburn stated that issues relating to the PIR had been turned into an attack on all Councillors. She raised concerns about the relationships between Council Officers and Councillors and suggested Councillors needed to always get written advice from Senior Council Officers to avoid issues.

Cllr Douglas raised the PIR findings in relation to the Council Leader being named in a tribunal by the former Council Chief Executive, before he was part of the meeting which agreed a financial gift to the former Chief Executive as part of their exit package from the Council. She also questioned if the culture of the Council had changed.

Jo Coles also raised the findings of the PIR in relation to the Council paying a financial gift to the former Chief Executive as part of their exit package when local residents were struggling financially. She noted several areas she felt money could have been spent and raised concerns about the culture at the Council as outlined in the report.

40. REPORT OF LOCAL GOVERNMENT ASSOCIATION INTO THE PIR

The Committee were joined by Mark Edgell from the LGA who introduced their report. He noted that the LGA had found that the Council had done well responding to the five narrow recommendations in the PIR but questioned whether the actions undertaken to date had made the significant difference required. He also highlighted the LGAs concerns regarding culture issues at the Council. Finally he outlined the LGA's recommendations to the Council which included the need to improve cross party working, a three year improvement plan, and a corporate peer challenge.

The Committee considered the report and raised a number of questions to Mark Edgell about how the Council could improve and its efforts to date to address the issues in the PIR. It was noted that further work was required to properly identify the distinct roles of Councillors and that of Officers. Members enquired as to whether all Councillors and specifically opposition Councillors should have greater involvement in decision making. It was noted that opposition Councillors had the opportunity to engage through things such as scrutiny and call ins.

Developing and delivering an enhanced Councillor training program was discussed. With local elections in May 2023 induction training was highlighted as being key for Councillors post-election. Involvement in training was discussed and it was noted that a online register was being developed to log attendance. However, it was acknowledged that there was not a

mechanism to reprimand Councillors who chose not to attend training sessions.

Tackling poor Councillor conduct was considered and it was noted that Councillors would need a certain level of personal responsibility to make improvements alongside the new Member Code of Conduct, colleagues being encouraged to reinforce positive behaviour, as well as being, a role for the Monitoring Officer, Group Leaders, and Group Whips to address problems. The Committee considered the LGA recommendation to take part in a peer challenge something the Council had not had since 2016. Members agreed that the opportunity of a peer challenge could assist in improving the Council's culture issues.

Resolved:

- i. That the Council undertake a three year review reporting to the Audit and Governance Committee to review the Council's performance against the ten recommendations outlined by the LGA and to report on the progress of Member training;
- ii. To recommend to the Chief Operating Officer and the Leader of the Council to engage the LGA about initiating a Corporate Peer Review;

Reason: To ensure the overall culture of the Council is improved following the PIR.

Cllr Lomas, Chair

[The meeting started at 5.30 pm and finished at 7.10 pm].

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Action Number	Date of Meeting	Title	Action	Action Owner	Status/ Outcome	To be completed by	Completed
5	18/01/23	KCR updates	That report be added to the Committee work plan to review KCRs 8 The Local Plan and 12 Major Incidents.	Bryn Roberts/ Debbie Mitchell			No
6	18/01/23	KCR updates	That KCR 2 Governance include a control that the Committee will make recommendations to a meeting of Council following the Local Governance Association's report.	Debbie Mitchell			No
8	07/02/23	LGA Recommendations Report	That the Council undertake a three year review reporting to the Audit and Governance Committee to review the Council's performance against the ten recommendations outlined by the LGA and to report on the progress of Member training	Bryn Roberts			No
9	07/02/23	LGA Recommendations Report	To recommend to the Chief Operating Officer and the Leader of the Council to engage the LGA about initiating a Corporate Peer Review	Bryn Roberts			No

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Audit and Governance Committee

15 March 2023

Report of the Director of Governance

Corporate Governance Report

1. Summary

1.1 This report provides Members with updates in respect of:

- Corporate Governance performance indicators update
- Information Commissioners Office (ICO) published decision notices from the previous report in November 2022 to date of preparing this report on 27th February 2023
- Ombudsmen update including Local Government and Social Care Ombudsman (LGSCO) and Housing Ombudsman Service (HOS) cases from the previous report in November 2022 to date of preparing this report on 27th February 2023

2. Corporate Governance Performance Indicators Update

2.1 The performance indicators report for the reporting year April 2022 to March 2023 are attached at Annex 1.

2.2 The wider set of indicators and datasets are included on the regular external publication of information through York Open Data including those indicators linked to the Council Plan are now published on York Open Data. These are

- % Of Grade 1 4Cs Complaints responded to 'In Time' – which is available at <https://data.yorkopendata.org/dataset/kpi-ig22a>
- FOI & EIR % Requests responded to In time - (YTD) – which is available at <https://data.yorkopendata.org/dataset/kpi-foi02-01>

2.3 We continue to work with internal audit to provide improved quality assurance and monitoring of FOI, EIR and complaint responses which will assist the Corporate Governance Team (CGT) to identify in a

timelier way, specific support, and guidance to managers across the council. We will provide an update on this work in the full year report for Corporate Governance which will come to the relevant future Committee.

- 2.4 Complaints about council services are dealt with under the council's corporate procedure for Complaints, Concerns, Comments and Compliments (the 4Cs). This procedure was designed using the guidance and good practice specified in the statutory procedures and by the Local Government and Social Care Ombudsman (LGSCO) and Housing Ombudsman Service (HOS).
- 2.5 Further to the indicators in Annex 1, the below table shows the quarterly figures for corporate complaints covering April to December for 2022/2023 alongside the total figures for 2021/2022. Though there has been a decrease in the number of both grade 1 and grade 2 corporate complaints received compared to the previous quarters, we continue to maintain an improved % of both grades of corporate complaints, being responded to in time compared to 2021/2022. The CGT continues to work across the council to maintain this improvement.

		2022/2023		
	2021/2022	Q1	Q2	Q3
Number of 4Cs Complaints received	1,368	557	655	364
Number of 4Cs Complaints assessed at Grade 1	525	181	160	150
Number of 4Cs Complaints assessed at Grade 2	843	376	495	214
% Of 4Cs Complaints responded to 'In Time'	84.15%	94.59%	95.07%	93.97%
% Of 4Cs Complaints responded to 'Out of Time'	15.85%	5.41%	4.93%	6.03%

- 2.6 Complaints about adult and children's social care services are dealt with under two separate pieces of legislation:
- The Children Act 1989 Representations Procedure (England) Regulations 2006
 - The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009
- 2.7 Further to the indicators in Annex 1, the below table shows the quarterly figures for adults and children's social care complaints covering April to December for 2022/2023 alongside the total figures for 2021/2022. The

indicators in Annex 1 provide year to date / YTD (cumulative) and quarterly figures for adults and children's social care complaints. There has been improvement in the number of children's social care complaints responded to in time and a fall in the number of adults social care complaints responded to in time. This fall is a concern, and the CGT are working closely with managers to provide additional targeted support and guidance where we have identified areas for improvement.

		2022/2023		
	2021/2022	Q1	Q2	Q3
Adults social care complaints – total received	43	10	10	12
Adult social care complaints - % responded to 'In Time'	63.16%	80.00%	88.89%	50.00%
Children's social care complaints – total received	45	13	9	14
Children's social care complaints - % responded to 'In Time'	41.18%	54.55%	57.14%	90.00%

2.8 It may be helpful to note that there can be a decrease in number of complaints received in the lead up to and during the festive period.

2.9 Further to the indicators in Annex 1, the below table shows the quarterly figures for FOIs (Freedom of Information Act requests), EIRs (Environmental Information Regulation requests) and SAR (subject access to records request) covering April to December for 2022/2023 alongside the total figures for the previous three years.

	2019/2020	2020/2021	2021/2022	Q1	Q2	Q3
FOI - Total Received	1,422	1,215	1,056	180	159	169
FOI - % responded to In time	82.00%	80.25%	78.73%	84.75%	82.88%	88.19%
EIR – Total Received	487	647	625	161	148	112
EIR - % responded to In time	88.30%	85.78%	84.85%	83.13%	93.01%	93.07%
SAR - Total Received	204	160	117	41	29	38
SAR) - % responded to In time	76.96%	75.00%	66.96%	63.16%	69.23%	89.29%

2.10 There has been improvements made for FOI EIR and SAR being responded to in time throughout the reporting quarters this year and compared to the previous reporting years. we have improved the % of both FOIs and EIRs responded to in time.

3. ICO published decision notices

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

3.2 From date of the previous report to Committee up to the date of preparing this report on 27th February 2023, there were four published decision notices. The summary of these is at Annex 2 and the full reports from the ICO on these cases, can be found at

16 Jan 2023 – Complaint not upheld - <https://ico.org.uk/media/action-weve-taken/decision-notices/2023/4023584/ic-149818-q5r4.pdf>

10 Jan 2023 – Complaint not upheld - <https://ico.org.uk/media/action-weve-taken/decision-notices/2023/4023735/ic-172037-z4w2.pdf>

20 Dec 2022 – Complaint not upheld - <https://ico.org.uk/media/action-weve-taken/decision-notices/2022/4023458/ic-198660-t0t5.pdf>

12 Dec 2022 – Complaint upheld - <https://ico.org.uk/media/action-weve-taken/decision-notices/2022/4023370/ic-197345-l8w9.pdf>

3.3 Three of the four cases were not upheld as we had correctly applied the regulation under EIR to withhold the information or provided adequate advice and assistance to the requester.

3.4 One decision notice was upheld as we had not complied with section 10(1) of FOIA in providing a valid response to the request within the statutory time frame of 20 working days. We have now provided a substantive response.

4. Ombudsmen update

4.1 There were 19 Ombudsmen decision from the last report to Committee which are

- 1 Housing Ombudsman Services decision (HOS)
- 1 Parliamentary and Health Services Ombudsman (PHSO)
- 17 Local Government and Social Care Ombudsman (LGSCO)

4.2 Of the 19 cases determined by the Ombudsmen, the decisions were:

- 2 were not upheld/no maladministration
- 4 were closed after initial enquiries as out of the jurisdiction of the Ombudsman
- 7 were closed after initial enquiries with no further action
- 1 was closed after initial enquiries as the council had already taken satisfactory action to address the matter, and the injustice was not significant enough to justify the LGSCO's continued involvement in the case
- 5 cases were upheld with fault and injustice with recommendations and/or remedies. Details of the recommendations and /or remedies are shown at Annex 3.

4.3 The Corporate Governance Team undertakes ongoing work with the Corporate Management Team, Directorate Management Teams as well as with individual service areas to ensure that we share learning opportunities across the council and to identify areas for improvement from Ombudsmen cases.

5. Consultation

Not relevant for the purpose of this report.

6. Options

Not relevant for the purpose of this report.

7. Analysis

Not relevant for the purpose of this report.

8. Council Plan

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

9. Legal Implications

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

10. Risk Management

10.1 The council may face financial and reputational risks if the information it holds is not managed and protected effectively or if it does not respond to complaints effectively. For example, the ICO can currently impose civil monetary penalties for serious breaches and / or take enforcement actions. Ombudsmen can impose financial remedies and/or individuals may be at risk of committing criminal offences. The failure to identify and manage information risks or respond to complaints effectively, may diminish the council's overall effectiveness and damage its reputation.

11. Recommendations

11.1 Members are asked:

11.1.1 To note the details contained in this report.

11.1.2 Reason: To provide any comments or feedback from this report.

Contact Details

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

Chief Officer Responsible for the report:
Bryn Roberts Director of Governance

Report Approved Date 3rd March 2023

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

For further information please contact the author of the report

Annexes

Annex 1 – Corporate Governance performance indicators summary
Annex 2 – Information Commissioner's Office (ICO) published decision notices
Annex 3 – Ombudsmen decisions

Background Information

Not applicable

Corporate Governance Team – performance indicators

		Previous Years			2022/2023		
		2019/2020	2020/2021	2021/2022	Q1	Q2	Q3
FOI01	FOI (Freedom of Information) - Total Requests Received - (YTD)	1,422	1,215	1,056	180	339	510
IG01j	Number of FOI reviews received	-	-	30	4	6	3
FOI01-03	EIR (Environmental Information Regulations) - Total Requests Received - (YTD)	487	647	625	161	309	419
IG01i	Number of EIR reviews received	-	-	19	7	3	3
FOI05	DP (Data Protection Act) / SAR (Subject Access Request) - Total Received - (YTD)	204	160	117	41	70	107
IG01p	Number of Rights of Individuals requests received	-	-	77	9	15	9
IG01o	Number of Requests for Information received	-	-	347	0	0	132
IG01l	Number of ICO cases received	-	-	22	2	1	1
FOI02	FOI (Freedom of Information) - Requests responded to In time - (YTD)	1,166	975	803	150	271	405
	FOI (Freedom of Information) - % Requests responded to In time - (YTD)	82.00%	80.25%	78.70%	84.70%	83.90%	83.70%
FOI03	FOI (Freedom of Information) - Requests responded to Out of time - (YTD)	256	240	217	27	52	79
	FOI (Freedom of Information) - % Requests responded to Out of time - (YTD)	18.00%	19.75%	20.50%	15.30%	16.10%	16.30%

IG14ja	% of FOI reviews responded to 'In Time'	-	-	78.57%	50.00%	100.00%	100.00%
FOI02-03	EIR (Environmental Information Regulations) - Requests responded to In time - (YTD)	430	555	521	133	266	358
	EIR (Environmental Information Regulations) - % Requests responded to In time - (YTD)	88.30%	85.78%	84.90%	83.10%	87.80%	87.50%
FOI03-03	EIR (Environmental Information Regulations) - Requests responded to Out of time - (YTD)	57	92	93	27	37	51
	EIR (Environmental Information Regulations) - % Requests responded to Out of time - (YTD)	11.70%	14.22%	14.90%	16.90%	12.20%	12.50%
IG14ia	% of EIR reviews responded to 'In Time'	-	-	83.33%	83.33%	66.67%	100.00%
FOI05	DP (Data Protection Act) / SAR (Subject Access Request) - In time - (YTD)	157	120	75	24	42	68
	DP (Data Protection Act) / SAR (Subject Access Request) - % In time - (YTD)	76.96%	75.00%	72.10%	63.20%	71.20%	68.70%
	DP (Data Protection Act) / SAR (Subject Access Request) - Out of time - (YTD)	47	40	37	14	22	31
	DP (Data Protection Act) / SAR (Subject Access Request) - % Out of time - (YTD)	29.94%	25.00%	35.60%	36.80%	37.30%	31.30%
IG14pa	% of Rights of Individuals responded to 'In Time'	-	-	76.92%	87.50%	90.91%	71.43%

IG14oa	% of Requests for Information responded to 'In Time'	-	-	98.98%	100.00%	98.29%	100.00%
IG14la	% of ICO cases responded to 'In Time'	-	-	94.44%	100.00%	0.00%	100.00%
IG01c	Number of Comments received	-	-	1,379	178	220	191
IG01d	Number of 4Cs Complaints received	-	-	1,368	557	655	364
IG01e	Number of Compliments received	-	-	239	67	60	65
IG01f	Number of Concerns received	-	-	6	1	1	1
IG14ca	% of Comments responded to 'In Time'	-	-	74.55%	65.99%	71.51%	77.44%
IG14da	% of 4Cs Complaints responded to 'In Time'	-	-	84.15%	94.59%	95.07%	93.97%
IG14ea	% of Compliments responded to 'In Time'	-	-	99.56%	100.00%	100.00%	100.00%
IG14fa	% of Concerns responded to 'In Time'	-	-	0.00%	0.00%	0.00%	0.00%
IG01a	Number of Adult Complaints received	-	-	43	10	10	12
IG08aa	Number of Adult Complaints assessed at Green	-	-	32	8	8	7
IG18ad	% of Adult Complaints: Upheld in Full	-	-	19.44%	40.00%	0.00%	50.00%
IG14aa	% of Adult Complaints responded to 'In Time'	-	-	63.16%	80.00%	88.89%	50.00%
IG01b	Number of Child Complaints received	-	-	45	13	9	14
IG10ba	Number of Child Complaints assessed at Grade 1	-	-	31	9	7	12
IG18bd	% of Child Complaints: Upheld in Full	-	-	12.50%	22.22%	16.67%	8.33%
IG14ba	% of Child Complaints responded to 'In Time'	-	-	41.18%	54.55%	57.14%	90.00%
IG01n	Number of LGSCO cases received	-	-	41	6	12	12
IG14na	% of LGSCO cases responded to 'In Time'	-	-	76.92%	83.33%	70.00%	90.00%
IG01u	Number of Housing Ombudsman cases received	-	-	3	1	0	1

IG14ua	% of Housing Ombudsman cases responded to 'In Time'	-	-	100.00%	100.00%	0.00%	100.00%
FOI01	FOI & EIR - Total Requests Received - (YTD)	1,909	1,862	1,685	341	648	929
FOI02	FOI & EIR - Requests responded to In time - (YTD)	1,596	1,530	1,326	283	537	763
	FOI & EIR - % Requests responded to In time - (YTD)	83.60%	82.17%	81.20%	84.00%	85.80%	85.40%
FOI03	FOI & EIR - Requests responded to Out of time - (YTD)	313	332	310	54	89	130
	FOI & EIR - % Requests responded to Out of time - (YTD)	16.39%	17.83%	19.00%	16.00%	14.20%	14.60%

Information Commissioner's Office (ICO) published decision notices

16 Jan 2023 – Complaint not upheld

The complainant has requested various information relating to a particular road. The City of York Council refused to comply with the requests under regulation 12(4)(b) (manifestly unreasonable requests), regulation 13 (personal information), regulation 12(4)(e) (internal communications), and regulation 12(5)(d) (confidentiality of proceedings) of the EIR. The Commissioner's decision is that the City of York Council was entitled to apply regulation 12(4)(b) of the EIR. The Commissioner does not require the council to take any steps.

The full decision notice is published at <https://ico.org.uk/media/action-weve-taken/decision-notices/2023/4023584/ic-149818-q5r4.pdf>

10 Jan 2023 – Complaint not upheld

The complainant requested information from City of York Council ("the Council") relating to the proposed St George's Field Multi Storey Car Park. The Commissioner's decision is that the Council was entitled to rely on regulation 12(4)(e) (internal communications) of the EIR to refuse to provide the requested information. The Commissioner does not require the Council to take any steps.

The full decision notice is published at <https://ico.org.uk/media/action-weve-taken/decision-notices/2023/4023735/ic-172037-z4w2.pdf>

20 Dec 2022 – Complaint not upheld

The complainant has requested information from City of York Council ("the Council") about the costs related to the publication and distribution of a 10-page survey they had received. The Council explained that as it could not identify the 10-page survey the complaint was referring to, it could not provide the requested information. The Commissioner's decision is that the Council has

complied with its obligations under section 16(1) of the FOIA to provide adequate advice and assistance to the complainant. The Commissioner does not require the Council to take any steps as a result of this decision notice.

The full decision notice is published at
<https://ico.org.uk/media/action-weve-taken/decision-notices/2022/4023458/ic-198660-t0t5.pdf>

12 Dec 2022 – Complaint upheld

The public authority has failed to respond to this request within 20 working days, as specified under FOIA. The Commissioner requires it to provide the complainant with a response to this request within 35 calendar days in accordance with its obligations under FOIA.

The full decision notice is published at
<https://ico.org.uk/media/action-weve-taken/decision-notices/2022/4023370/ic-197345-l8w9.pdf>

Ombudsman Ref Directorate/Service Date of final decision Decision	Summary of Final Decision	Actions and date(s) for completion	Date Actions Complete
LGSCO ref 22009413 Place/Housing Date of final decision -28/10/2022 Decision - Closed after initial enquiries: out of jurisdiction	We cannot investigate issues relating to the Council's actions as landlord as such matters are outside our jurisdiction.	NA	NA
LGSCO ref 22010459 Place/Planning Date of Final decision 15/11/2022 Decision - Closed after initial enquiries - no further action	We will not investigate this complaint about how the Council dealt with a planning application. This is because the complainant has not suffered significant injustice	NA	NA
LGSCO ref 22009856 Place/Planning Date of final decision 18/11/2022 Decision - Closed after initial enquiries - no further action	We will not investigate this complaint the Council failed to properly consider a planning application. Although the Council was at fault, that did not cause the complainant a significant injustice.	NA	NA
LGSCO ref 22000412 Adult Social Care & Integration/Adults Date of final decision 18/11/2022 Decision - Upheld: Fault and injustice	Ms C complained the Council has failed to set up the agreed Direct Payment to pay her for five hours a week of support with regards to her father's care. We did not find fault with regards to the decision that a direct payment was no longer required to support Mr F with social outings, once he had gone into hospital. However, the Council failed to communicate clearly with Ms C about this. The Council has agreed to apologise for this.	By 21/12/2022 1. Apologise to Ms C and pay her £200 for the distress she experienced. 2. The council accepted LGSCO recommendations. However, Ms C told the LGSCO she does not want the £200.	06/12/2022

Ombudsman Ref Directorate/Service Date of final decision Decision	Summary of Final Decision	Actions and date(s) for completion	Date Actions Complete
LGSCO ref 22000366 Adult Social Care & Integration/ Adults Date of Final decision - 21/11/2022 Decision - Upheld: Fault and Injustice	The Council accepts there were delays in financial assessments and reviews of Ms K's care, errors in the transport provision, and a failure to carry out a carers' assessment. It has apologised and reinstated transport. It will reimburse Mr X's costs for the transport he provided and offer carers' assessments to Mr and Mrs X. There was no fault in the calculation of Ms K's contribution towards the cost of her care, however, and no reason why the Council should waive the outstanding contribution.	By 21/12/2022 1. Reimburse Mr X for the cost of the journeys undertaken 2. Pay £250 in recognition of the time taken by Mr X to provide transport. 3. Offer a carers assessment to both Mr and Mrs X. If there is a budgetary consequence, backdate the payment of that for one year. 4. Pay £250 to Mr X for the time and trouble he was put to in making the complaint.	13/01/2023
LGSCO ref 22006869 Place/Waste and environment Date of final decision - 24/10/2022 Decision - Upheld: Fault and injustice	The complaint is upheld. The Council fully acknowledge that it has failed to collect Mr L's garden waste and provide a satisfactory service to him. This has caused Mr L frustration and uncertainty, as well as unnecessary time and trouble seeking a resolution. The Council has agreed to my recommendations to remedy the injustice Mr L has suffered.	By 23/11/2022 1. Provide a fresh apology to Mr L for the fault and injustice identified. 2. Pay Mr L £100 to acknowledge the frustration and uncertainty he has suffered	23/11/2022
PHSO ref 22007335 Adult Social Care & Integration/Adults Date of Final Decision - 23/11/2022 Decision - Closed after initial enquiries - no further action	Mr X complained about City of York Council (the Council) and York and Scarborough Teaching Hospitals NHS Foundation Trust (the Trust). Mr X complained about the way the Council and the Trust dealt with his late father, Mr Y's, discharge from hospital and the Trust's care of Mr Y while he was in hospital. We will not investigate the complaint because a coroner and a local Safeguarding Adults Board (SAB) are still investigating related issues. Mr X can resubmit his complaint to us for further consideration when the coroner and SAB have finished their investigations.	NA	NA
LGSCO ref 22010898 Place/Parking Date of Final Decision - 23/11/2022 Decision - Closed after initial enquiries - out of jurisdiction	We will not investigate Mr X's complaint the Council issued a penalty charge notice for parking in a restricted area. Mr X can reasonably use his right of appeal to the Traffic Penalty Tribunal.	NA	NA

Ombudsman Ref Directorate/Service Date of final decision Decision	Summary of Final Decision	Actions and date(s) for completion	Date Actions Complete
LGSCO ref 22007505 Place/Planning Date of final decision - 30/11/2022 Decision - Closed after initial enquiries– no further action.	We will not investigate this complaint about the Council granting planning permission and not taking enforcement action to address smoke and cooking odours from a food business near the complainant's home. Parts of the complaint are late with no good reason to investigate now, the key matter of smoke and cooking odours has been resolved by the business moving, and there is otherwise not enough evidence of Council fault or of it causing significant injustice, so an investigation is not warranted.	NA	NA
LGSCO ref 22010219 Adult Social Care & Integration/Adults Date of final decision - 30/11/2022 Decision - Closed after initial enquiries – no further action.	We will not investigate Mrs B's complaint about way the Council conducted a Best Interests Meeting for her son, Mr C, or the way it treated her. This is because further investigation could not add to the Council's response or make a different finding of the kind Mrs B wants.	NA	NA
LGSCO ref 22006945 Place/Parking Date of final decision - 08/12/2022 Decision - Not upheld: No Fault	Mr X complains the Council changed the parking permit scheme where he lives without proper consultation. We find no fault with the way the Council carried out changes to the scheme.	NA	NA
LGSCO ref 22011310 Place/Highways Date of final decision - 14/12/2022 Decision - Closed after initial enquires: no further action	We will not investigate this complaint about an unsuccessful application for a dropped kerb. This is because there is insufficient evidence of fault by the Council. In addition, we could not achieve the outcome the complainant wants	NA	NA
LGSCO ref 22011393 Place/Highways Date of final decision - 19/12/2022 Decision - Closed after initial enquiries: out of jurisdiction	We will not investigate this complaint about how the Council has dealt with matters relating to the adoption of a road outside the complainant's property. This is because we have previously considered a complaint about the Council's claim that the road was adopted. Other matters raised by the complainant are either made late or have been subject to the commencement of court proceedings.	NA	NA

Ombudsman Ref Directorate/Service Date of final decision Decision	Summary of Final Decision	Actions and date(s) for completion	Date Actions Complete
LGSCO ref 22005428Adult Social Care & Integration/Adults Date of final decision - 03/01/2023 Decision - Upheld: Fault and Injustice.	Mrs X complained about the care provided to her daughter by the Council, delay with setting up direct payments, and its safeguarding investigations. There was fault with the Council not following part of its safeguarding policy but there was no injustice as the risk had been removed. We found fault as the Council did not meet her daughter's needs consistently for a long period. It also delayed considering Mrs X's needs as a carer. These faults caused Mrs X significant distress. There was delay in setting up direct payments which further caused uncertainty and frustration. The Council has agreed to our recommendations to remedy the injustice caused.	By the 3rd Feb 1. Apologise to Mrs X for the failure in being able to find consistent and sufficient care for Miss Y over the last 18 months 2. Pay Mrs X £1000 as a symbolic payment to recognise the significant distress caused to her and the time and trouble she has taken to deal with this complaint 3. Pay Mrs X £300 to acknowledge the delay in setting up direct payments, causing uncertainty and frustration 4. and If it has not already done so, ensure direct payments are securely in place for Miss Y.By the 3rd May 5. Issue reminders to appropriate staff to ensure they consider carrying out a carers assessment if it appears a carer may have any level of need for support 6. And Issue reminders to appropriate staff to ensure guidance and support is given when asked about direct payments and ensure proper consideration is given to these requests.	1,2,3,5 complete 4 and 6 outstanding
LGSCO ref 22013532 Place/ Highways Date of final decision - 18/01/2023 Decision - Closed after initial enquiries: out of jurisdiction	We will not investigate Mr B's complaint that the Council has failed to maintain the road outside his home. This is because it is reasonable for Mr B to apply to court for an order which requires the Council to repair the road	NA	NA
LGSCO ref 22012911 Place/Planning & Customer Services Date of final decision - 19/02/2023 Decision - Closed after initial enquiries: suitable remedy completed	We will not investigate Mr X's complaint because the Council has already taken satisfactory action to address the matter, and the injustice is not significant enough to justify our continued involvement in the case.	NA	NA

Ombudsman Ref Directorate/Service Date of final decision Decision	Summary of Final Decision	Actions and date(s) for completion	Date Actions Complete
LGSCO ref 22011939 Place/Planning Date of final decision - 20/01/2023 Decision - Closed after initial enquiries - no further action.	We will not investigate this complaint about a failure to consult residents on proposed changes to the highway. There is not enough evidence of fault in the Council's actions and the complainant has not suffered sufficient personal injustice to justify an investigation.	NA	NA
HOS ref 202205506 [REF/LZ/YN/Xk/G3/] Place/Housing Date of final decision - 16/02/2023 Decision - No maladministration	In accordance with paragraph 52 of the Housing Ombudsman Scheme, there was no maladministration by the landlord in respect of its response to the resident's reports about ongoing noise nuisance. In accordance with paragraph 52 of the Housing Ombudsman Scheme, there was no maladministration by the landlord in respect of its decision to not allow the resident to move until they have lived in their property for 12 months.	NA	NA
LGSCO ref 22010403 Place/Waste Date of final decision - 08/02/2023 Decision – Upheld: fault and injustice	The Council delayed replacing Mr B's garden waste bin and failed to keep him up-to-date with what was happening. An apology and payment to Mr B is satisfactory remedy	By 08/03/2023 1. the Council should apologise to Mr B; 2. pay him £30	ongoing

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Audit Planning Update and Progress Report

City of York Council

Audit & Governance Committee March 2023



1. Audit Planning Update and Progress
2. ISA 315 (Revised 2019) - identifying and assessing the risks of material misstatement
3. National publications

01

Section 01:
Audit Progress

Audit progress

Purpose of this report

This report provides the Audit and Governance Committee with updates on:

- the 2020/21, 2021/22 and 2022/23 audits;
- revised auditing standard for identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019); and
- recent reports and publications for information as listed in Section 3.

2020/21 Audit of accounts

Whole of Government Accounts (WGA)

We received confirmation that the Council's 2020/21 WGA submission is below the NAO's (National Audit Office's) audit threshold and we have completed our submission. We are currently waiting for the National Audit Office (NAO) to confirm which councils are in scope for full Group Audit procedures.

Audit Certificate

The Audit Certificate will be issued, and the audit formally closed, when the remaining stage set out above is completed.

2021/22 Audit of Accounts

Financial statement's audit

Our Audit Completion Report (ACR) for 2021/22 was discussed during the meeting of the 2022 Audit and Governance Committee in November 2022.

In January 2023 CIPFA published its bulletin setting out the way forward for accounting for infrastructure assets and we are working with management to complete the required work in this area. Management has also provided evidence to enable us to complete the other areas highlighted in section 2 of the Audit Completion Report with the exception of WGA which requires the NAO to publish its group instructions to enable us to complete our work.

Value for money arrangements 21/22

The scope of our audit work is largely unchanged since 2020/21 and the management self assessment, with supporting evidence, provides a good platform for our 2021/22 assessment. The Financial Sustainability theme is an area of focus as the sector faces increasing uncertainty over future funding and ongoing cost pressures.

At the time of writing this report, we have not fully completed our work. We have, however, identified two significant weaknesses in arrangements which we expect to include in our Auditor's Annual Report. These are highlighted on pages 6 and 7 of this report.

We plan to issue our Auditor's Annual Report to the meeting of the Audit and Governance Committee in June 2023 following the completion of our 2021/22 financial statements audit.

Audit progress

2022/23 Audit of accounts

We are about to start our planning work for the 2022/23 audit period. As part of our planning work, we will meet with finance officers in order to discuss the timetable and key risks. We will continue to have regular catch up meetings with the finance team as the audit progresses.

We intend to bring our Audit Strategy Memorandum (ASM) to the meeting of the Audit and Governance Committee in June 2023; this will include the impact of our risk assessment under the new auditing standard applying for 2022/23 onwards (ISA 315R) and detailed in section 2 of this report.

We have outlined what we expect to include in our ASM relating to potential significant and enhanced risks on page 8 of this report.

Audit progress

Value for money arrangements 21/22

Below is the significant weakness in arrangements and recommendation reported in 2020/21. One of the key parts of the Council’s response, was to commission a third party, the Local Government Association (“LGA”) to undertake an assurance review on the “Public Interest Report Action Plan”. The results were published in February 2023 and while the report provides assurance that the Council is implementing procedures to address the recommendations highlighted in the PIR, it also highlights on-going weaknesses and additional actions for CYC to action.

We noted the progress made by the Council in 2021 after accepting our recommendations and the LGA report provides additional evidence that the Council has made progress to adequately address recommendations 1, 2, and 5 in the PIR. While the LGA confirmed good progress had been made implementing its action plan, for recommendations 3 and 4, the LGA highlighted the following areas as requiring additional work:

- mandatory training on the constitution has not been implemented; and
- a lack of progress in delivering code of conduct training for all Members.

On this basis, while we consider the Council to have made progress, there is still evidence of significant weaknesses in governance arrangements in 2021/22.

Identified significant weakness in arrangements	Reporting criteria	Remaining recommendations for improvement 2021/22
<p>Public Interest Report in respect of severance paid to the former Chief Executive We issued a Public Interest Report on 19 April 2021 including recommendations to address the significant weaknesses we identified in the Council’s arrangements in respect of the severance of the former Chief Executive:</p> <ul style="list-style-type: none"> • elements of the exit package, described in both the business case considered by Members and in the financial statements as contractual, were paid at the discretion of the Council and were not contractual entitlements; • the business case considered by Members did not include sufficient facts, both in terms of financial analysis and background information, to make an informed decision; • decision records that document the use of public funds under the scheme of delegation were not maintained; and • safeguards to prevent conflicts of interest and demonstrate the Council applies the principles and values of sound governance were not applied. 	<p>Governance</p> <p>Improving 3 Es</p>	<ul style="list-style-type: none"> • The Council should review the design of its governance policies and procedures to manage conflicts of interest (including self-interest threats). • The Council should ensure all Members fully understand the requirements of the Code of Conduct in relation to declaration of interests.

Audit progress

Value for money arrangements 21/22

As stated on slide 4, we have not fully completed our work but we expect to report the following significant weakness in the Council’s arrangements in 2021/22. The last full Inspection of Children’s Services was in November 2016 under the previous Single Inspection Framework (SIF) when the Council was assessed as ‘good’. In March 2022 Ofsted issued the results of its inspection of children’s services which took place in March 2022. Following the March 2022 inspection, the Council’s rating has been downgraded to ‘requires improvement to be good’. The inspection report sets out seven areas that require improvement and required an action plan to be implemented within 70 days of the publication of the report.

While the report confirms the Chief Operating Officer and elected Members are well informed and clearly sighted on where improvements are needed, consistent with the requirements for audits under the 2020 Code and AGN 03, issued in December 2021, we are required to highlight to Those Charged With Governance regulatory issues as a weakness in the Council’s arrangements as part of our VFM commentary.

Identified significant weakness in arrangements	Reporting criteria
<p>Children’s services</p> <p>The Office for Standards in Education, Children’s Services and Skills (OFSTED) inspects and regulates children and young people’s services. The Council’s children’s services were last inspected in 2016, a rating of “Good” was achieved.</p> <p>OFSTED carried out further work in March 2022 and published the results in May 2022. The overall effectiveness of children’s services was graded as “requires improvement to be good”, and OFSTED reported weaknesses that include: consistency of written records; quality of assessments; and social work supervision arrangements.</p> <p>The matters identified by OFSTED are relevant to the financial year ending 31 March 2022 and, in our view, indicate a significant weakness in the Council’s arrangements for Governance (how the body ensures that it makes informed decisions and properly manages its risks) and for Improving Economy, Efficiency and Effectiveness (how the body uses information about its costs and performance to improve the way it manages and delivers its services).</p>	<p>Governance</p> <p>Improving 3 Es</p>

Audit progress

Opinion audit

Upon completion of our risk assessment, we will identify risks relevant to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard. The definitions of the level of risk rating are given below:

Significant risk

A significant risk is an identified and assessed risk of material misstatement that, in the auditor’s judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity’s controls, including control activities relevant to that risk.

Enhanced risk

An enhanced risk is an area of higher assessed risk of material misstatement at audit assertion level other than a significant risk. Enhanced risks require additional consideration but does not rise to the level of a significant risk, these include but may not be limited to:

- key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and
- other audit assertion risks arising from significant events or transactions that occurred during the period.

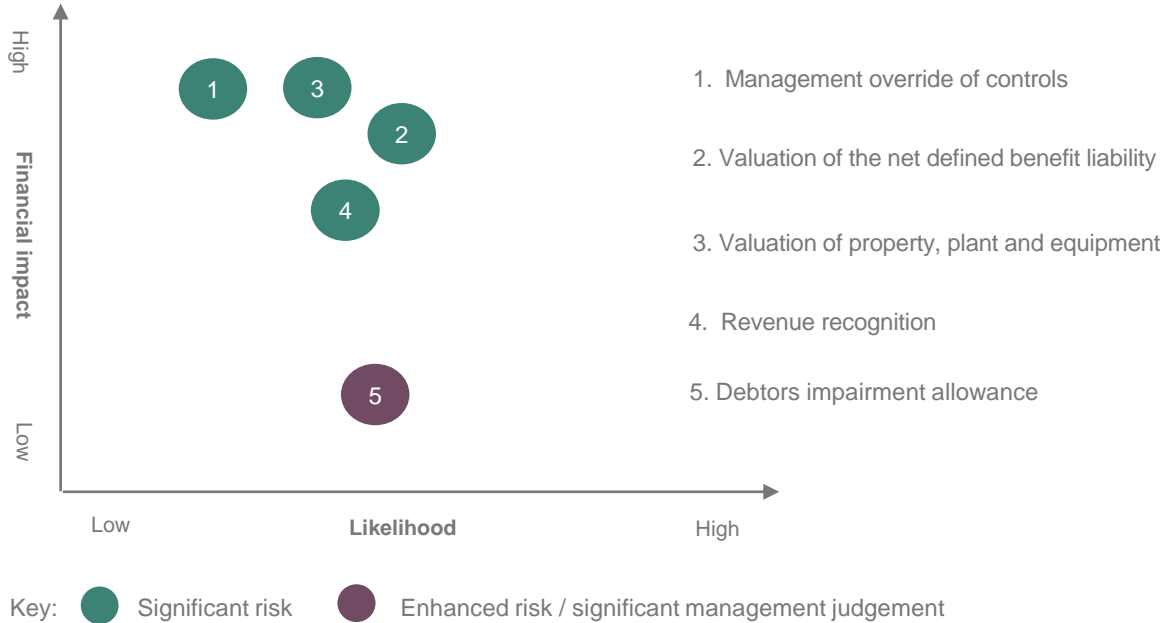
Standard risk

This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement (RMM), there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

We will refresh our risk assessment following our initial planning meetings with finance officers and completion of our audit planning work.

Summary risk assessment (expected risks)

The summary risk assessment, illustrated in the table below, highlights those risks which we expect to be significant and other enhanced risks in respect of the Council.



02

Section 02:

ISA (UK) 315 (Revised 2019) identifying and assessing the risks of material misstatement

2. Revised ISA 315

Revised auditing standard for Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019)

(Effective for audits of financial statements for periods beginning on or after December 15, 2021)

ISA (UK) 315 (Revised 2019) introduces major changes to the auditor’s risk identification and assessment approach, which are intended to drive a more focused response from auditors undertaking work to obtain sufficient appropriate audit evidence to address the risks of material misstatement. The main changes relevant to your audit are outlined below:

- **Enhanced risk identification and assessment**

The standard has enhanced the requirements for the auditor to understand the entity and its environment as well as the applicable financial reporting framework and to identify inherent risk factors to drive risk identification and assessment (subjectivity, complexity, uncertainty, change, and susceptibility to misstatement due to management bias or fraud). Using these inherent risk factors, the auditor assesses inherent risk on the “spectrum of inherent risk”, at which the higher end lies significant risks, to drive a more focused response to the identified risks. It should also be noticed that the standard requires the auditor to obtain sufficient, appropriate audit evidence from these risk identification and assessment procedures to form the basis of their risk assessment.

The standard also increases the focus on auditors identifying the assertions where the inherent risk lays. For clarity, we include a table of assertions to the right.

- **Greater emphasis on IT**

In response to constantly evolving business environments, the standard has placed an increased emphasis on the requirements for the auditor to gain an understanding of the entity’s IT environment to better understand the possible risks within an entity’s information systems. As a result, auditors are required to gain a greater understanding of the IT environment, including IT general controls (ITGCs). However, the standard acknowledges the fact that there is a need for scalability in gaining this understanding and provides more detailed guidance on how to approach the topic depending on the complexity of the commercial software and/or IT applications.

- **Increased focus on controls**

As a result of the emphasis for auditors to gain a greater understanding of the IT environment, the standard has also widened the scope of controls deemed relevant to the audit. Auditors are now required to increase their understanding of controls implemented by management, as well as assess the design and implementation of those controls, which include ITGCs.

Assertion	Risks
Completeness	Is the balance complete?
Accuracy & valuation	Are transactions accurately recorded and assets and liabilities appropriately measured?
Classification	Is the balance classified correctly?
Occurrence	Did the transaction occur?
Existence	Does the item exist?
Rights & obligations	Does the entity own the item?
Cut-off	Is the item recorded in the correct financial year?
Presentation & disclosure	Is the item presented in the accounts appropriately?

2. Revised ISA 315

Impact on the audit of the Council

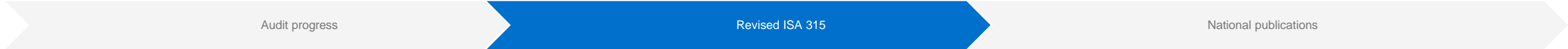
Our risk assessment procedures will be more granular, and we will be seeking sufficient information from the Council to ensure that we can document our detailed understanding of the Council and the environment that it operates in.

In documenting our risk assessment, we will need to input additional time to assess inherent risks of the spectrum that the auditing standard requires.

In terms of IT, we will need to ensure we have a good understanding of the Council's IT environment. We will keep this under review as part of our planning and interim audits. We do not plan to test IT general controls as we have designed our approach to gain assurance from substantive testing, which in our view remains the most efficient approach to take.

Due to the increased level of understanding prescribed by the revised standard, we will identify Key Business Processes' (KBPs) that have not been documented in previous audits. Consistent with our approach to documenting existing KBPs, we will be required to document our understanding of KBP and consider the design and implantation of any relevant controls. At this stage we expect to scope in KBPs such as:

- accrued income and expenditure;
- provisions;
- expected credit losses;
- revenue - grant income;
- replated parties; and
- severance payments.



03

Section 03:
National Publications

National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountability (CIPFA)		
1	Integrating Care	CIPFA has published a report entitled, 'Integrating care: policy, principles and practice for places'.
Public Audit Forum		
2	Consultation responses to the revised Practice Note 10	<p>The Public Audit Forum (PAF) oversees the development and publication of the Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom which was revised in 2022.</p> <p>PAF has now published the responses to the consultation and final draft amendments. These amendments were approved by the Financial Reporting Council in November 2022.</p>
National Audit Office (NAO)		
3	Government Shared Services	The NAO published its report Government Shared Services which examines whether the government's latest Shared Services Strategy is on track to deliver.
4	Departmental Overview 2021-22	The NAO has produced an overview of the Department for Levelling up, Housing & Communities' (DLUHC's) spending and performance for 2021-22
Department for Levelling Up, Housing and Communities		
5	Technical consultation on consequential changes to the homelessness legislation	This consultation aims to identify and understand the impacts these changes will have on the sector, to ensure local authorities can continue to deliver their homelessness duties effectively and give people the support they need.
6	Local government finance policy statement 2023-24 to 2024-25	The policy statement sets out the government's intentions for the local government finance settlement for the next 2 years.

National publications

Publication/update		Key points
Public Sector Audit Appointments Ltd		
7	Publication of the 2022/23 fee scale	PSAA has published the 2022/23 audit fee scale following consultation.
8	Directory of Auditor Appointments from 2023/24	PSAA has published its Directory of Auditor Appointments from 2023/24 following the completion of the 2022 procurement.
9	PSAA announces the number of audit opinions completed for the 2021/22 audits	PSAA has published this year's position on delayed audit opinions.

NATIONAL PUBLICATIONS

CIPFA

1. CIPFA publishes integrating care report – December 2022

CIPFA has published a report entitled, 'Integrating care: policy, principles and practice for places'. The report provides an overview of the changes since the Health and Care Act 2022 was introduced and discusses what integration is seeking to achieve. It considers the wider health and care landscape in the current climate and addresses the remaining challenges at place level.

The recommendations and case studies it contains are intended to influence the development of further policy and guidance by central government, and to provide support for practitioners at local level. The purpose of the report is to help health and local government partners to find effective solutions to the challenges of health and care integration.

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/press-release-cipfa-publishes-integrating-care-report>

NATIONAL PUBLICATIONS

Public Audit Forum

2. Consultation on Practice Note 10 (Revised 2022): Summary of Responses and Proposed Amendments – December 2022

The consultation on the exposure draft of the 2022 revision of Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (PN 10) closed on 16 September 2022 and this document summarises the responses to the consultation and the amendments the Public Audit Forum (PAF) proposes to make to the final draft as a result.

Part 1 of PN 10 provides guidance on applying auditing, quality management and ethical standards in the public sector. It is important to consider potential changes to PN 10 in the context of PN 10's status as a Statement of Recommended Practice (SORP): a set of sector-driven recommendations on (in this case) auditing practices for the public sector which guide auditors on how to apply the underlying standards, including International Standards on Auditing (UK) (ISAs (UK)), in the specialised context of the public sector. The PAF has no role in determining the principles or requirements which are included in the ISAs (UK). The PAF also has no direct role in setting the financial reporting frameworks for public sector entities (although member bodies of the PAF maintain dialogue with the framework setters).

As set out in the summary of responses included in the report, respondents commented on a range of issues faced by auditors of public sector entities. By far the most-cited issue was the current situation in local audit in England and current delays in completing audits of local authorities. A number of respondents suggested various ways in which the consultation draft of PN 10 might be amended so as to ameliorate some of these issues by reducing the audit effort in particular areas. There were suggestions that the proposed changes to the guidance on applying ISA (UK) 320 Materiality in planning and performing an audit may have a significant impact on local auditors' approach to materiality judgements.

<https://www.public-audit-forum.org.uk/wp-content/uploads/2022/12/Practice-Note-10-Consultation-Response-2022.pdf>

NATIONAL PUBLICATIONS

National Audit Office

3. Government shared services – November 2022

The NAO published its report Government Shared Services which examines whether the government's latest Shared Services Strategy is on track to deliver. It aims to answer the following questions:

- Has the government made progress since we last reported on shared services in 2016? (Part One)
- Are the right conditions in place for the government to deliver its proposed efficiencies and savings? (Part Two).
- Has the government put in place mitigating actions to address the future challenges it faces in delivering its strategy? (Part Three)

The report concludes that the government's previous shared services strategies failed to deliver their intended cost savings and other benefits. Its new Shared Services Strategy is highly ambitious and, while most departments consider the cluster model a sensible approach, there are several fundamental elements yet to be put in place that are jeopardising the success of the strategy. For example, the Cabinet Office is still unclear on the extent of the benefits this programme can be expected to bring. It is difficult to judge what progress has been made on enablers such as process and data convergence.

The report highlights concerns that these gaps cause uncertainty for departments and mean that the Cabinet Office will repeat past failures. The NAO, therefore, cannot conclude that this programme is on track to demonstrate value for money.

<https://www.nao.org.uk/reports/government-shared-services/#downloads>

4. Departmental Overview 2021-22: Department for Levelling Up, Housing & Communities - December 2022

The NAO has produced an overview of the Department for Levelling up, Housing & Communities' (DLUHC's) spending and performance for 2021-22. DLUHC spends nearly £38 billion each year to support economic growth and housing across the country, in collaboration with local authorities. It has overall responsibility in central government for local authorities' funding. Along with other bodies, DLUHC oversees the core accountability system for local authorities.

The guide summarises the key information and insights that can be gained from the NAO's examinations of DLUHC and related bodies in the sector in England, and DLUHC's Annual Report and Accounts.

<https://www.nao.org.uk/overviews/departmental-overview-2021-22-department-for-levelling-up-housing-communities/>

5. Technical Consultation on Consequential changes to the homelessness legislation – December 2022

This consultation seeks views on the consequential amendments to homelessness legislation as a result of the Renters Reform Bill, namely, the removal of section 21 evictions, assured shorthold tenancies and fixed-term tenancies and aims to identify and understand the impacts these changes will have on the sector, to ensure local authorities can continue to deliver their homelessness duties effectively and give people the support they need.

The scope of the consultation is limited to responses on the legislative technical amendments. The majority of the amendments to the legislation are minor and, while the consultation is open to everyone, most responses are expected to be from local authorities and charities in the homelessness space.

The consultation will run for 7 weeks.

<https://www.gov.uk/government/consultations/technical-consultation-on-consequential-changes-to-the-homelessness-legislation/technical-consultation-on-consequential-changes-to-the-homelessness-legislation>

6. Local government finance policy statement 2023-24 to 2024-25 – December 2022

The local government finance policy statement sets out the government's intentions for the local government finance settlement for the next 2 years, providing councils with greater certainty on key aspects of their funding to inform their budget setting process and help them to plan for the future.

For the core settlement the Business Rates Multiplier for 2023-24 will be frozen at 49.9p and Revenue Support Grant (RSG) will increase in line with CPI.

For council tax the bespoke council tax referendum principle of up to 3% or £5, whichever is higher, for unitary authorities remains. In addition, local authorities with social care responsibilities will be able to set an adult social care precept of up to 2% per year, without a referendum.

In respect of the remaining settlement grants, the Rural Services Delivery Grant will remain unchanged, in recognition of the inflationary pressures across the sector the Lower Tier Services Grant will be repurposed along with a proportion of the expired New Homes Bonus legacy payments to create a new one-off, funding guarantee. This will ensure that all authorities will see at least a 3% increase in their Core Spending Power before any decision they make about organisational efficiencies, use of reserves, and council tax levels. There will also be new rounds of New Homes Bonus (NHB) payments in 2023-24.

These proposals are subject to consultation which will last for 4 weeks from 19 December 2022 to 16 January 2023.

<https://www.gov.uk/government/publications/local-government-finance-policy-statement-2023-24-to-2024-25/local-government-finance-policy-statement-2023-24-to-2024-25>

NATIONAL PUBLICATIONS

Public Sector Audit Appointments Ltd

7. News release: Publication of the 2022/23 fee scale – November 2022

PSAA has published the 2022/23 audit fee scale following consultation. Information on the fee scale and consultation is available. Most audit work under this fee scale will be undertaken from April 2023 onwards.

The fee scale applies for the audit work to be undertaken by appointed auditors in respect of the 2022/23 financial statements at relevant principal authorities that have opted into PSAA's national auditor appointment arrangements for the period 2018/19 to 2022/23.

Auditors will undertake their work under the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office on behalf of the Comptroller and Auditor General, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

Under the Local Audit (Appointing Person) Regulations 2015, the 2022/23 fee scale must be published by 30 November 2022 and cannot be amended after that date. Any subsequent changes in national requirements or local circumstances relating to the 2022/23 audits will therefore be the subject of fee variations.

The 2022/23 fee scale is the last in the current appointing period which is under the 2017 audit contracts. New contracts will apply from the 2023/24 audit following a procurement during 2022. PSAA will consult on the fee scale for the 2023/24 audit in early autumn 2023.

<https://www.psa.co.uk/appointing-auditors-and-fees/list-of-auditor-appointments-and-scale-fees/2022-23-auditor-appointments-and-audit-fee-scale/>

8. Directory of Auditor Appointments from 2023/24 – December 2022

PSAA has published its Directory of Auditor Appointments from 2023/24 following the completion of the 2022 procurement. The Board agreed the appointments at its meeting on 16 December 2022.

<https://www.psa.co.uk/2023/01/directory-of-auditor-appointments-from-2023-24/>

NATIONAL PUBLICATIONS

Public Sector Audit Appointments Ltd

9. PSAA announces the number of audit opinions completed for the 2021/22 audits – December 2022

This year’s position on delayed audit opinions underscores the scale of the huge challenge that local audit is facing. At the publishing date of 30 November 2022, only 12% of local government bodies’ 2021/22 audit opinions have been given. Although this is slightly higher than last year’s 9%, this year’s publishing date is two months later than the 30 September target for delivery of 2020/21 opinions.

The table below highlights a comparison with previous years.

Year of Account	Publishing Date	Opinions given at the publishing date
2021/22	30 November 2022	12%
2020/21	30 September 2021	9%
2019/20	30 November 2020	45%
2018/19	31 July 2019	57%

What makes the latest position increasingly alarming is that more than 220 opinions from prior years remain outstanding. As opinions have been given at fewer than 60 bodies for 2021/22, this means that a total of more than 630 opinions are currently late. This year the position has been made more difficult by uncertainties concerning the valuation of infrastructure assets, adding to significant ongoing challenges of recruiting and retaining sufficient staff with the requisite knowledge, skills and experience to both prepare and audit the accounts to the required standard.

<https://www.psa.co.uk/appointing-auditors-and-fees/list-of-auditor-appointments-and-scale-fees/2022-23-auditor-appointments-and-audit-fee-scale/>

It should be noted, that the opinions for City of York Council were successfully delivered by the publishing dates in the table. However the 2021/22 opinion has been delayed due to the national infrastructure issue highlighted earlier in this report.

Contact

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Audit & Governance Committee**15 March 2023**

Report of the Chief Finance Officer

Monitor 3 2023/24 - Key Corporate Risks**Summary**

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

Background

2. The role of A&G in relation to risk management covers three major areas;
 - Assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risk
 - Keeping up to date with the risk profile and effectiveness of risk management actions; and
 - Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management
3. 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

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

Key Corporate Risk (KCR) update

7. There are currently 12 KCRs which are included at Annex A in further detail, alongside progress to addressing the risks.
8. Annex B is a one page summary of all the KCR's and their current gross and net risk ratings.
9. In summary the key risks to the Council are:
 - KCR1 – Financial Pressures: The Council's increasing collaboration with partnership organisations and ongoing government funding cuts will continue to have an impact on Council services
 - KCR2 – Governance: Failure to ensure key governance frameworks are fit for purpose.
 - KCR3 – Effective and Strong Partnership: Failure to ensure governance and monitoring frameworks of partnership arrangements are fit for purpose to effectively deliver outcomes.
 - KCR4 – Changing Demographics: Inability to meet statutory deadlines due to changes in demographics
 - KCR5 – Safeguarding: A vulnerable child or adult with care and support needs is not protected from harm

- KCR6 – Health and Wellbeing: Failure to protect the health of the local population from preventable health threats.
- KCR7 – Capital Programme: Failure to deliver the Capital Programme, which includes high profile projects
- KCR8 - Local Plan: Failure to develop a Local Plan could result in York losing its power to make planning decisions and potential loss of funding
- KCR9 – Communities: Failure to ensure we have resilient, cohesive, communities who are empowered and able to shape and deliver services.
- KCR10 – Workforce Capacity: Reduction in workforce/ capacity may lead to a risk in service delivery.
- KCR11 – External market conditions: Failure to deliver commissioned services due to external market conditions.
- KCR12 – Major Incidents: Failure to respond appropriately to major incidents.

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

11. 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 (0)	5 (6)	1 (1)	
Moderate		1 (1)	3 (3)	1 (1)	
Minor					
Insignificant					
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

12. 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
- Removed Risks – No KCRs have been removed since the last monitor
- Reduced Risks – One KCR has had their net risk score reduced since the last monitor (KCR8)

Follow up actions

13. The following information is provided in response to the queries previously raised at the A&G meeting in January 2023:
14. KCR 2 – Governance; members of A&G Committee requested at the January 2023 meeting that an additional control be added to this KCR covering the recommendation made by A&G to Council following the LGA report. This has been actioned in the risk register at Annex A.
15. For both KCR 8 - Local Plan and KCR12 – Major Incidents, there is an action to bring full updates on both these KCRs. This is planned for the next meeting in July 2023.

Updates to KCR risks, actions and controls

16. As a general point, several of the KCRs have been updated to reflect the impact of the cost of living crisis.
17. KCR 1 – Financial Pressures and KCR 7 - Capital Programme: the action to develop a budget strategy for 2023/24 has been completed following approval at Budget Council in February.
18. KCR 2 – Governance: The action to finalise the member development and training programme has been completed.

19. KCR 3 - Partnerships: A control has been added about the joint services across health and social care.
20. KCR 4 – Changing Demographics: A new action has been included about the Financial Inclusion Strategy which is relevant to this KCR as well as KCR 9 - Communities.
21. KCR 8 – Local Plan; an update has been made to the control and action regarding the progress in developing and adopting the local plan. The net risk score has been reduced from 19 to 18.
22. KCR9 – Communities. An update to the action to approve the Financial Inclusion Framework has been added.

Options

23. Not applicable.

Council Plan 2019-2023

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

Implications

25. There are no further implications.

Risk Management

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

Recommendations

27. 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) provide feedback on any further information that they wish to see on future committee agendas

Reason:

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

Contact Details

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Debbie Mitchell
Chief Finance Officer

**Report
Approved ✓**

**Date
6/3/23**

Specialist Implications Officer(s) None

Wards Affected All

Background Papers None

Annexes

A – Key Corporate Risk Register

B – Summary of Key Corporate Risks

C – Risk Scoring Matrix

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

Changes to Risk Register since Monitor 2

Key Corporate Risk	Changes
KCR1 Financial Pressures	Action completed in respect of the new Financial Strategy
KCR2 Governance	Action in respect of the members induction programme has been completed
KCR3 Effective and Strong Partnerships	Minor updates to risk details and controls
KCR4 Changing Demographics	No updates at this monitor
KCR5 Safeguarding	No updates at this monitor
KCR6 Health and Wellbeing	No updates at this monitor
KCR7 Capital Programme	Action completed in respect of the new Financial Strategy
KCR8 Local Plan	Control updated for stage of Local Plan development and updated action, leading to a reducing risk
KCR9 Communities	New control added following completed action
KCR10 Workforce/ Capacity	New control added following completed action
KCR11 External Market Conditions	No updates at this monitor
KCR12 Major Incidents	No updates at this monitor

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

KCR 1 FINANCIAL PRESSURES: The ongoing government funding cuts and more recently the impact of Covid and 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>Increased service demand and costs (for example an aging population).</p> <p>Financial pressures on other partners that impact on the council</p> <p>The spending review is one year only for 2022/23 and 2023/24</p> <p>Financial impact of the pandemic on Council budgets</p> <p>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>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</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>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 2022/23 approved</p>	Probable	Major (20)	Action completed	<p>COMPELTED</p> <p>Development of budget strategy for 2023/24 (Debbie Mitchell, 31/01/2023)</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>UPDATED</p> <p>General cost pressures due to continued high inflation (latest CPI figures are 10.1% January 2023, and expected to remain above 10% in Q1 of 2023)</p> <p>Increased risk of UK recession</p> <p>General cost pressures due to impact of Ukraine conflict.</p> <p>Continued interest rate increases through to Sept 2023</p>	<p>more individuals require support due to unemployment.</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>							

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

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

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Increased interactions in relation to FOIA and transparency</p> <p>Failure to comply with data protection and privacy legislation</p> <p>Serious breach of health and safety legislation</p> <p>Failure to comply with statutory obligations in respect of public safety</p> <p>The actions to rectify governance weakness agreed by Council in May 2021 in response to the Public Interest Report (PIR) issued in April 2021 will not be achieved.</p>	<p>Increases in cases held or fines levied by Information Commissioner</p> <p>Failing to meet the legal timescales for responding to FOIA may result in reduced confidence in the council's ability to deal with FOIA and in turn, its openness and transparency</p> <p>Individuals will be at risk of committing criminal offences if they knowingly or recklessly breach the requirements of the GDPR legislation.</p> <p>Potential increased costs to the council if there are successful individual claims for compensation as a result of a breach of GDPR legislation.</p> <p>Impact on the end user/customer</p> <p>Public and staff safety may be put at risk</p> <p>Possible investigation by HSE</p>	Probable	Major (20)	<p>Electronic Communication Policy</p> <p>IT security systems in place</p> <p>Governance, Risk and Assurance Group (GRAG) covers a wide range of governance issues, including Covid-19 impacts</p> <p>Ongoing Internal Audit review of information security</p> <p>Health and Safety monitoring in place</p> <p>Regular monitoring reports to Audit & Governance committee and Executive Member decision sessions</p> <p>Open Data platform providing Freedom of Information (FOI) requested data</p> <p>Regular review of transparency code legislation and compliance</p> <p>Ongoing management of data architecture to provide de-personalised data to open data platform</p>	Possible	Major (19)	Action completed, New control	<p>Ongoing review: Continued implementation and embedding of relevant elements from the action plan. (Bryn Roberts 31/03/23)</p> <p>COMPLETED An induction programme for members elected in May 2023 has been developed, and details were considered by A&G in January 2023. (Bryn Roberts, 31/01/23)</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
	<p>Prohibition notices might be served preventing delivery of some services</p> <p>Prosecution with potential for imprisonment if Corporate Manslaughter</p> <p>Adverse media/ social media coverage</p> <p>Reputational impact</p> <p>Failure to get sign off of statutory accounts (for governance reasons) if the actions agreed in the PIR report are not complete</p>			<p>Public Protection Annual Control Strategy</p> <p>Additional resource, training and improved processes to deal with FOIA requests</p> <p>All officer and delegated decisions are reported publicly to Executive/ A&G to ensure transparency</p> <p>Ongoing Health and Safety Training programmes at all levels</p> <p>Ongoing regular review of internal audit reviews and recommendations</p> <p>SIRO role has changed to Director of Governance and the relationship between the Senior Information Risk Officer (SIRO) and the Caldicott Guardian is being strengthened</p> <p>Customer Complaints toolkit has been reviewed and reports to A&G</p> <p>Governance training provided for Directors</p> <p>Process for consistent completion of Data Protection Impact Assessments (DPIA)</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>has been circulated across the council</p> <p>The LGA will review and report on the achievement of PIR actions</p> <p>Member training in respect of the Code of Conduct and conflict of interests. Review of Council constitution completed in 2022. Next review planned for after elections in May 2023.</p> <p>NEW Approval of the action plan, prepared in response to the PIR. A&G Committee will make recommendations to Council, following the LGA report.</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

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>Financial pressure on York and Scarborough Teaching Hospitals NHS Foundation Trust (YTHFT) and the Humber and North Yorkshire Health and Care Partnership ICS Board (previously Vale of York Clinical Commissioning Group (VOYCCG), which may have worsened further due to Covid-19 and the cost of living crisis</p> <p>NEW Cumulative impacts of the pandemic and cost of living</p>	<p>Key partnerships fail to deliver or break down</p> <p>Misalignment of organisations' ambitions and direction of travel</p> <p>Ability to deliver transformation priorities undermined</p> <p>Adverse impact on service delivery</p> <p>Funding implications</p> <p>Reputational impact</p>	Probable	Major (20)	<p>Account management approach to monitoring key partnerships. CMT identified the 60 organisations who have the most potential to influence or affect organisational aims and priority outcomes for residents, and monitors on a quarterly basis. Each Corporate Director and the Chief Executive lead on specific relationships.</p> <p>UPDATED The Integrated Care System now has a strategy in place that aligns with the Health & Wellbeing Board . The York Place Board will oversee the delivery of this at a Place level. Financial pressure remains, however the Council, ICS and the Acute Trust are working together to reduce delays increase flow to reduce escalation beds and increase staffing.</p> <p>UPDATED Internal co-ordination such as Creating Resilient Communities Working Group (CRCWG) meet regularly to understand which areas of the council are working with different partners and what is happening across these agendas (including overall monitoring</p>	Possible	Moderate (14)	New control	No current actions

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>crisis and a reduction in volunteering on voluntary and community sector</p>				<p>of arrangements with voluntary & community sector as part of prevention and early help work)</p> <p>There were many positive examples that partnerships worked well together in the event of the Covid-19 emergency and successfully deals with issues; e.g. the YCAB partnership; collaboration with DoE</p> <p>NEW Commissioners and the NHS place directors are working closely to deliver a number of key joint services across health and social care.</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>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

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

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Development and regeneration makes York more desirable and accessible to residents, students and business, resulting in increasing inward migration to York.</p> <p>An increase in the aging population requiring services from the council</p> <p>Increase in complexity of needs as people get older</p> <p>Increase in people living with dementia</p> <p>Increase in ethnic diversity of the population means that the council has to understand the needs of different communities in relation to how services are delivered</p> <p>Growing number of people with SEND or complex needs living into adulthood</p>	<p>Increased service demand from residents, including; statutory school placements, SEND, mental health, adult social care and environmental services (eg waste collection)</p> <p>Increased service demand in relation to business (e.g. Regulation, Planning)</p> <p>Impact of additional demands cause significant financial and delivery challenges, such as a rise in delayed discharges, deterioration of people in the community awaiting elective surgery as well as increases in the number of people requiring care as the population ages</p> <p>Reputational impact as these mainly impact high risk adult and children’s social care service areas</p> <p>Unable to recruit workers in key service areas eg care worker</p>	Probable	Major (20)	<p>Place planning strategy to ensure adequate supply of school places</p> <p>DfE returns and school population reported every 6 months</p> <p>Local area working structures in frontline services, including Early intervention initiatives and better self-care</p> <p>Assessment and Care management review complete, to better manage adult social care demand on CYC based on community led support</p> <p>Advice and Information Strategy complete, to provide residents with direct access to support and services, to better manage adult social care demand on CYC, resulting in the launch of Livewell York</p> <p>Investment in support brokerage work with NHS integrated commissioning</p> <p>Stakeholder and officer group, to create a more connected and integrated health and social care system.</p> <p>Officer caseload monitoring</p>	Possible	Major (19)	New action	<p>Updated transition strategy to be agreed (Jamaila Hussain, 31/03/2023)</p> <p>NEW Interim Financial Inclusion Strategy (Pauline Stuchfield. 31/03/2023)</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Demographic of workforce supply unable to meet workforce demand</p> <p>Failure to plan for the impact of a rapid change in demographics to front line service provision</p> <p>The impact of the cost of living crisis may disproportionately affect certain demographics; eg BAME and the older community are more likely to suffer health issues, blue badge holders affected by city centre changes, younger people by job losses</p>	<p>To ensure that decisions made in relation to cost of living support are taken with a recognition of the different impacts on certain demographics</p>			<p>Internal co-ordination such as Creating Resilient Communities Working Group (CRCWG)</p> <p>Establishing a “preparing for adulthood and LD/Autism lead” to ensure smooth transition</p> <p>York Skills Plan</p> <p>The Education Planning Team have completed a review of demographic data to determine the impact on schools</p> <p>Community Impact Assessments are carried out before decision making</p> <p>Redesign and implementation of new arrangements for early help and prevention</p> <p>Ongoing analysis of the Local Plan and Major development projects demographic data to determine the impact on all CYC services.</p> <p>The Covid 19 review ensures that lessons are learned, links to the population hub providing access to the right data ensure services and support is delivered across localities to reduce inequalities</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

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

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to protect a child or vulnerable adult from death or serious harm (where service failure is a factor)</p> <p>Potential for an increased demand on Children's and Adult services following the pandemic</p>	<p>Vulnerable person not protected</p> <p>Children's serious case review or lessons learned exercise</p> <p>Safeguarding adults review</p> <p>Reputational damage</p> <p>Serious security risk</p> <p>Financial implications, such as compensation payments</p> <p>Financial and resource implications of an increase in demand once the Covid 19 measures are lifted</p>	Probable	Major (20)	<p>Safeguarding sub groups</p> <p>Multi agency policies and procedures</p> <p>Specialist safeguarding cross sector training</p> <p>Quantitative and qualitative performance management</p> <p>Reporting and governance to lead Member, Chief Executive and Scrutiny</p> <p>Annual self assessment, peer challenge and regulation</p> <p>Audit by Veritau of Safeguarding Adults processes</p> <p>Children's and Adults Safeguarding Boards (LSCB & ASB)</p> <p>Ongoing inspection preparation & peer challenge</p> <p>National Prevent process</p> <p>DBS checks and re-checks</p> <p>Effectively resourced and well managed service</p> <p>Annual Safeguarding Board annual plan</p>	Possible	Major (19)	No change	No current actions

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>Controls implemented from peer review action plan</p> <p>Chief Officer Group which brings together Chief Officers from relevant organisations in relation to safeguarding eg police, CYC</p> <p>Children's Social Care records system is upgraded. This is monitored by a project board. Ongoing development is planned and awaiting costings.</p> <p>Ongoing work to ensure capacity is assured to enable any increase in demand to be met after Covid-19 restrictions are lifted</p> <p>Use of different methods of contact methods for vulnerable children, such as facetime, alongside working with the DoE and Ofsted</p> <p>Improvement Plan for Children's social care in place since 2020</p> <p>Improvement Plan for Adult Social Care to address current budget pressures in place May 2021</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

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 and the health impacts of adverse weather impacts</p> <p>The impact of the non or late diagnosis of health issues due to the impact of Covid-19 and cost of living increases on health services.</p> <p>Failure to protect citizens from the adverse health impacts of climate change</p>	<p>Likelihood of mass disease outbreaks</p> <p>Late diagnosis & delay in treatment of health conditions that could be identified earlier through routine screening e.g. breast & cervical cancer, diabetic sight loss</p> <p>Reduction in life expectancy and quality of life</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 the Health and Wellbeing Board and Health & Adult Social Care Policy and Scrutiny Committee</p> <p>CYC Director of Public Health is co-chair of the Humber and North Yorkshire Health and Care Integrated Care Board Local Health Resilience Partnership.</p> <p>Health protection governance arrangements are subject to regular inspection through the internal audit cycle.</p> <p>Mass vaccination programme for flu and Covid</p> <p>The 2020 to 2022 Director of Public Health Annual Report focused on the response to the COVID-19 pandemic and makes several recommendations.</p> <p>Climate change mitigation and adaptation programme</p>	Probable	Moderate (15)	No change	<p>No current actions</p> <p>Whilst the Covid pandemic has not been declared over, the Government moves to the next phase of living with Covid from 1st April 2022. Therefore, our emergency outbreak response phase is over.</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

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

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

KCR 7 CAPITAL PROGRAMME: Failure to deliver the Capital Programme, which includes high profile projects. The capital programme currently has a budget of £531m from 2022/23 to 2026/27. The schemes range in size and complexity but are currently looking to deliver two very high profile projects, Castle Gateway and York Central, which are key developments for the city.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Complex projects with inherent risks</p> <p>Large capital programme being managed with reduced resources across the Council</p> <p>Increase in scale of the capital programme, due to major projects and lifting of borrowing cap for Housing</p> <p>Cost pressures due to increasing inflation rate (particularly in Construction where 20-30% increases in costs are being seen)</p> <p>Continued interest rate increases through to Sept 2023</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>Capital Strategy 2022/23 to 2026/27 approved in Feb 2022</p> <p>Capital Programmes are sufficiently staffed to deliver to timescales</p> <p>Internal Audit Report gave reasonable assurance on project management arrangements</p>	Possible	Moderate (14)	Action completed	<p>COMPLETED</p> <p>Development of capital strategy for 2023/24 (Debbie Mitchell, 31/01/2023)</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

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

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to agree and adopt a Local Plan for the City.</p> <p>The Draft Local Plan has started but not completed the Examination stage. There remains a risk that if the Plan fails this stage more work may be required and / or the plan has to be withdrawn by Council and submitted again after the evidence base has been updated. In these circumstances the overall risk score remains unchanged.</p>	<p>The Local Plan Examination process continues and the policies in draft Local Plan is a “material planning consideration” in the consideration and determination of planning applications. Development proposals which are not in accordance with the Draft Plan may continue to be submitted as planning applications, resulting in refusals of planning permission and an increase in planning appeals. An “adopted” Local Plan following the Examination by the Planning Inspectors would carry greater weight than the draft Plan.</p> <p>There may be a negative impact on the council's strategic economic goals and may have an adverse impact on investment in the city until there is an adopted Local Plan which provides greater direction through land use allocations and policies</p>	Probable	Major (20)	<p>UPDATED</p> <p>The Plan has completed public inquiry phase and its regulation 19 Consultation is underway. A final report from Inspectors for consideration by full council is expected in 2023.</p> <p>Correspondence as to the latest local plan position is regularly published on the Councils website to ensure all parties are kept abreast of the Planning Inspector and CYC dialogue.</p> <p>The plan following national guidance, good practice and specialist legal advice.</p> <p>Continued close liaison with:</p> <ul style="list-style-type: none"> • DLUHC, • Planning Advisory Services • Planning Inspectorate • The appointed planning Inspectors. <p>The Local Plan Working Group (LPWG) , the Executive and full Council have all been engaged in the plan making process at appropriate stages and before submission of Draft Local Plan for Examination.</p>	Unlikely	Major (18)	<p>Reducing risk</p> <p>Updated control and action</p>	<p>Ongoing action: Monitoring of controls (Neil Ferris, 31/03/2023)</p> <p>UPDATED Once the local plan has been adopted – later in 2023- the KCR will be considered for removal from the risk register. (Neil Ferris, 30/06/2023)</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>which guide and direct development.</p> <p>For some major planning applications which may be supported by the Council the development processes and decision making is slowed down by need to refer application to the Secretary of State for Levelling Up, Housing and Communities for consideration as to whether a Public Inquiry should be held or not.</p> <p>Central government (DLUHC) have already identified York as a high priority to produce a Local Plan. The failure to prepare and produce a Local Plan in accordance with the timescale accepted by central government could possibly result in action from the Secretary of State for Levelling Up, Housing and Communities to directly intervene in the plan making process.</p>			<p>Corporate Director for Place weekly monitoring / management of the process</p> <p>Additional resources to ensure delivery within timescales</p>				

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

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to effectively engage with the communities we serve</p> <p>Failure to contribute to the delivery of safe communities</p> <p>Failure to effectively engage stakeholders (including Members and CYC staff) in the decision making process</p> <p>Failure to manage expectations</p> <p>Communities are not willing/able to fill gaps following withdrawal of CYC services</p> <p>Lack of cohesion in the planning and use of CYC and partner community based assets in the city</p> <p>Failure to mitigate wider determinants of health/deprivation impacts such as world conflicts and the cost of living increases</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>Resilient Communities Strategy Group in place</p> <p>New early help and prevention community based service delivery models in People & Customer & 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 approved on 2 March 2020 covering the period 2020-2023</p> <p>Community Hubs set up to support residents through pandemic</p> <p>Roll-out of the Community hubs model as agreed in Oct 2020</p>	Possible	Major (19)	New Control	<p>UPDATED</p> <p>Approval of Financial Inclusion Framework</p> <p>The cost of living crisis has changed the landscape from when the original work was completed, so the outputs from the Cost of Living Summit (the key themes were discussed there) and the 3x10 year strategies have been built into the new draft. Consultation completed in January and decision on 16th March 2023</p> <p>(Pauline Stuchfield 31/03/2023)</p> <p>Team being established to cover equalities, access & inclusion.</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
	Increase in cost of living and in deprivation			<p>Management structure (Mar 2021) appointed Director Of Customers and Communities</p> <p>Community Engagement Strategy published</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</p> <p>NEW Access Officer role has been established in Communities</p>				(Pauline Stuchfield 30/09/2023)

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

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>The necessity to deliver savings has resulted in a reduced workforce requiring new and specialist skills</p> <p>Recruitment and retention difficulties as the council may be seen as a less attractive option than the private sector</p> <p>Lack of succession planning</p> <p>HR Policies may not be consistent with new ways of working (eg remuneration policy)</p> <p>Uncertainty around long term funding from central government.</p> <p>Adjustment to the new ways of working following the pandemic eg hybrid working.</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>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>	Probable	Major (20)	<p>Organisational Development Plan (replaces Workforce Strategy/ People Plan)</p> <p>Stress Risk Assessments</p> <p>PDRs</p> <p>Comprehensive Occupational Health provision including counseling</p> <p>HR policies e.g. whistleblowing, dignity at work</p> <p>Development of coaching/ mentoring culture to improve engagement with staff</p> <p>Corporate Cost Control Group monitoring of absence and performance reporting</p> <p>Apprenticeship task group</p> <p>Agency and Interim Staffing Policies</p> <p>Absence Management Policies</p> <p>Substance Misuse Policy</p>	Possible	Moderate (14)	New control	<p>Ongoing action: Review of HR policies to ensure they complement the new ways of working in the future</p> <p>HR policies and advice to managers have been updated and as new working arrangements are embedded details are being updated in policies.</p> <p>(Helen Whiting, 31/03/23)</p> <p>Review of employee T&Cs</p> <p>Progress has started with costing options ahead of discussions with CMT and Trade Unions.</p> <p>(Helen Whiting, 31/03/2023)</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>Reduction in posts due to restructures required to achieve budget savings</p> <p>Potential strike action</p> <p>Lack of qualified workforce (eg 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>Potential recruitment issues if staff with EU citizenship leave and are difficult to replace.</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) can have a negative impact on wellbeing. • Work life balance – unable to separate work from home due to work being carried out within the home • Juggling childcare and working hours • Supporting home schooling for children <p>However many staff may see an increase in their Health & Well Being due to more agile working. Having greater flexibility between work and home life. As we are able to start returning to the office in a covid secure way it is expected that this will have an increase in Health & Well Being.</p>			<p>A Workplace Health & Wellbeing Group has been established with staff & trade union representation which is chaired by the Head of HR.</p> <p>A staff health & wellbeing survey has been undertaken & this is being followed up by staff focus groups.</p> <p>Increase in regulatory compliance to protect the workforce eg Health and Safety regulations, working time directives</p> <p>Increase in Living wage (although there is no control over this rate and conflicts with NJC rates)</p> <p>Engagement with staff that had concerns about the EU settlement Scheme for European Citizens and offer of support through York Learning, Registrars and Citizens' Advice Bureau</p> <p>Joint Health and Safety Board and regular review of support for staff</p> <p>Improved frequency of informal and formal meetings with Trade Unions to improve communications and relationships</p> <p>Staff questionnaire about returning to the workplace and impact on their health & well being</p>				<p>Ongoing action - Implementation of creative recruitment initiatives</p> <p>New ideas have already been implemented and these will be ongoing and bespoke to the role and service area. Employer Brand project started to ensure that the good employer benefits are promoted. This will be ongoing and initiatives can be evaluated.</p> <p>(Helen Whiting, 31/03/2023)</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>More agile and flexible working may also result in increased retention of staff and increase the attraction of candidates for vacant positions.</p>			<p>Increased help and awareness of staff wellbeing and mental health as a result of the new ways of working including Covid secure workspace, provision of PPE, establishment of office readiness group, regular communication and information sessions, advice, risk assessments, help with home office and ICT equipment, absence systems, symptom free testing and vaccinations, close working with Public Health.</p> <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>NEW 2022/23 pay award accepted and implemented</p>				

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

KCR 11 EXTERNAL MARKET CONDITIONS: Failure to deliver commissioned services due to external market conditions.
 The financial pressures experienced by contracted services (in particular Adult Social Care providers) as a result of increases 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 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 pandemic and the cost of living crisis</p> <p>Many sectors under financial pressure due to the pandemic and cost of living crisis (reductions in income or increase in expenditure)</p> <p>Costs and cost of living pressures due to increasing inflation rate</p>	<p>Vulnerable people do not get the services required or experience disruption in service provision</p> <p>Safeguarding risks</p> <p>Financial implications: Increased cost of alternative provider Increased cost if number of providers are limited</p> <p>Reputational damage</p> <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>	Unlikely	Major (18)	<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>	Unlikely	Moderate (13)	No change	Ongoing action Latest Market Position Statement (Jamaila Hussein 31/03/23)

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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
Cost pressures due to conflict in Ukraine				<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 2023**

KCR 12 MAJOR INCIDENTS: Failure to respond appropriately to major incidents. Local Authorities are required by law to make preparations to deal with emergencies. Local Authorities have four main responsibilities in an emergency 1. to support the Emergency Services, 2. to co-ordinate non-emergency organisations, 3. to maintain their own services through a robust Business Continuity Management process, 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>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>	Probable	Catastrophic (24)	<p>Emergency planning and Business Continuity Plans in place and regularly reviewed</p> <p>Strong partnerships with Police, Fire, Environment Agency and other agencies</p> <p>Support to Regional Resilience forums</p> <p>Support and work in partnership with North Yorkshire local resilience forums</p> <p>Investment in Community Resilience (re Flooding)</p> <p>Work with partners across the city to minimise the risk of a terrorist attack</p> <p>Implemented physical measures for certain events</p> <p>Review of city transport access measures</p>	Possible	Major (19)	No change	<p>Ongoing action: Improvements to enhance flood protection (The Environment Agency) (Neil Ferris, April 2023)</p> <p>The Government published a new resilience framework on 19th December 2022. This KCR will need to be reviewed in light of proposed changes (Neil Ferris, April 2023)</p>

**ANNEX A
KEY CORPORATE RISK REGISTER AT MARCH 2023**

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

KEY CORPORATE RISK REGISTER SUMMARY

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

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Annex C- Risk Matrix

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

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**Agenda Item**

Audit and Governance Committee**15 March 2023**

Report of the Head of Internal Audit

Internal audit & counter fraud work programmes 2023/24

Summary

- 1 This report seeks the committee's approval for the indicative programme of internal audit work to be undertaken in 2023/24. It also includes the proposed programme of counter fraud work, for information.

Background

- 2 The council's internal audit service has to comply with the Public Sector Internal Audit Standards ('the standards'), and the council's own internal audit charter. The standards and charter require that the Head of Internal Audit gives an annual opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. The basis for the opinion is the programme of work that internal audit carries out. An indicative risk-based audit work programme is drawn up at the start of each year, setting out proposed priorities for audit work over the coming twelve months. The work programme is revisited and updated throughout the year, to ensure it remains aligned with current risks and priorities.
- 3 The work programme is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit. This report seeks approval for the indicative programme of internal audit work for 2023/24.
- 4 In addition to internal audit, Veritau also provides the council with specialist counter fraud services. While formal approval of the counter fraud programme is not required, the proposed

areas of work are set out in this report for the committee's information.

2023/24 Internal Audit Work Programme

- 5 The internal audit programme in annex 1 outlines priorities for work in 2023/24. It includes proposed areas of audit coverage and is based on a risk assessment undertaken by Veritau. The work programme is also informed by discussions with senior officers and members, risk management arrangements, and by plans for development and change within the council. The internal audit work programme is a flexible working document and adjustments will be made throughout the year to reflect changes in risks and priorities, and to address any issues that arise.
- 6 Total planned internal audit days for 2023/24 are 1,023. This is unchanged from 2022/23 and is considered sufficient for the Head of Internal Audit to deliver their annual opinion.

2023/24 Counter Fraud Work Programme

- 7 Proposed areas of counter fraud work for 2023/24 are set out in annex 2. No estimate of time is made for each area as this will depend on levels of suspected fraud reported to the team. Reactive investigations (determined by allegations of fraud received) account for the largest proportion of work. Priorities for work in the remaining areas will be determined in accordance with the council's Counter Fraud Strategy and Counter Fraud Risk Assessment (last reported to the committee in January 2023).
- 8 Total planned days for 2023/24 are 983 – the same as for 2022/23.

Consultation

- 9 In preparing the audit and counter fraud work programmes, consultation takes place with the Audit and Governance Committee and key officers across the council.

Options

- 10 Not relevant for the purpose of the report.

Analysis

- 11 Not relevant for the purpose of the report.

Council Plan

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

Implications

- 13 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

Risk Management Assessment

- 14 The council's internal audit service will not meet the requirements of the Public Sector Internal Audit Standards if the internal audit work programme is not approved by the committee.

Recommendation

- 15 Members are asked to
- approve the 2023/24 internal audit work programme and note the proposed counter fraud work programme.

Reason

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

Contact Details

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Bryn Roberts
Director of Governance
Telephone: 01904 555521

**Report
Approved**



Date 06/03/2023

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers

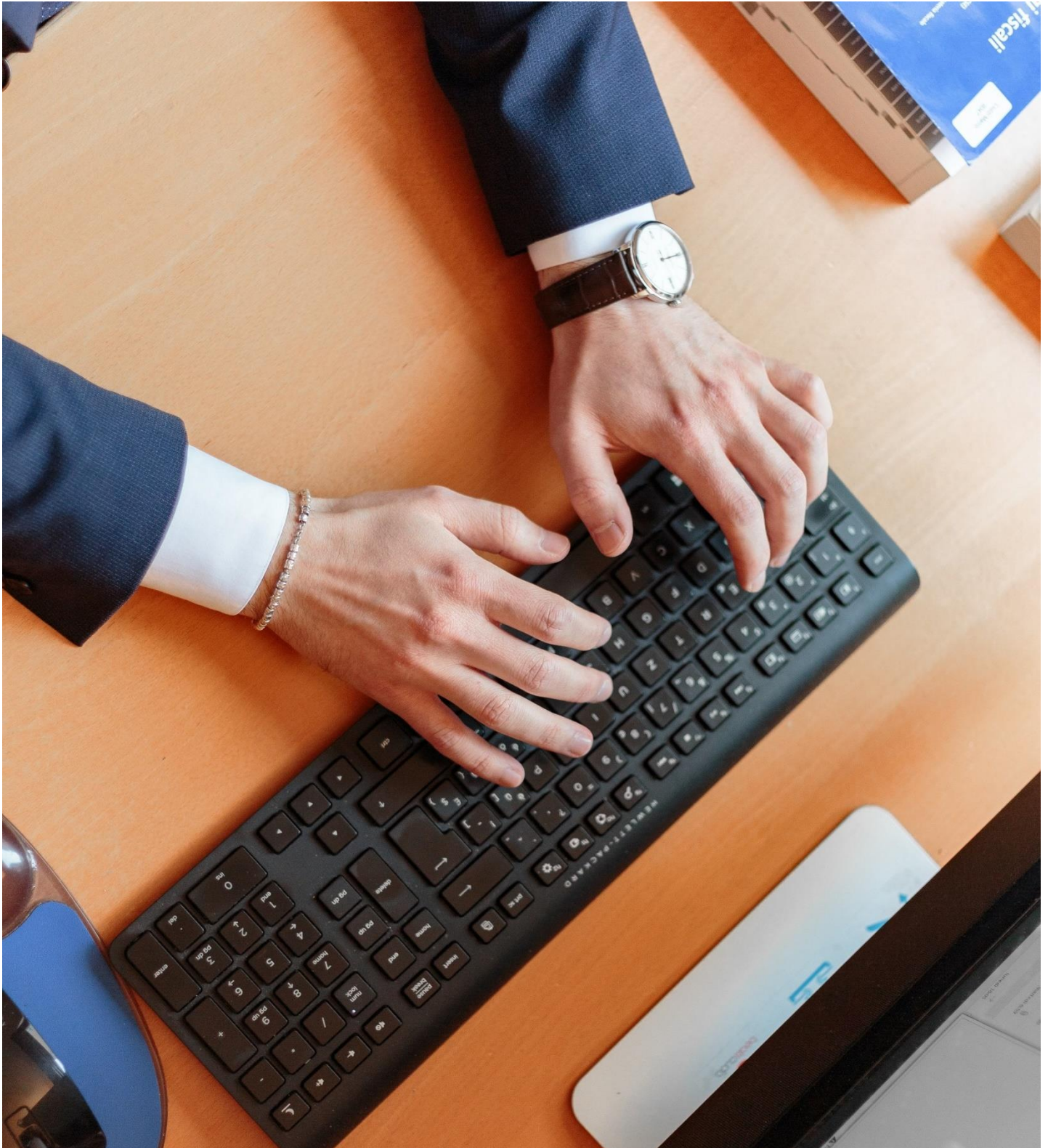
Annexes

Annex 1 – 2023/24 Internal Audit Work Programme
Annex 2 – 2023/24 Counter Fraud Work Programme


INTERNAL AUDIT WORK PROGRAMME 2023/24


Date: 15 March 2023


Annex 1




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Connor Munro
Assistant Director - Audit Assurance



Max Thomas
Head of Internal Audit

INTRODUCTION

- 1 This document sets out the proposed 2023/24 programme of work for internal audit, provided by Veritau for City of York Council.
- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards and the council's audit charter. In order to comply with those standards and the charter, internal audit work must be risk based and take into account the requirement to produce an evidence-based annual internal audit opinion. Accordingly, planned work should be reviewed and adjusted in response to changes in the business, risks, operations, programmes, systems and internal controls.
- 3 The Head of Internal Audit's annual opinion is formed following an independent and objective assessment of the effectiveness of the framework of risk management, governance and internal control. Our planned audit work includes coverage of all three areas to develop a wider understanding of the assurance framework of the council, and to produce a body of work which allows us to provide that opinion.
- 4 Responsibility for effective risk management, governance and internal control arrangements remains with the council. The Head of Internal Audit cannot be expected to prevent or detect all weaknesses or failures in internal control nor can audit work cover all areas of risk across the organisation.

APPROACH

- 5 In order to best meet professional standards, internal audit is required to adopt flexible planning processes that are sensitive to risk. This flexibility and risk-based approach are driving principles for delivery of City of York Council's 2023/24 internal audit work programme.
- 6 The council is facing unprecedented financial pressures as a result of the continued increase in demand for its services and the impact of inflation and economic uncertainty. An ageing population, an increase in the complexity of need in the adult and child populations, exposure to unfavourable market conditions, and challenging financial positions for health partners all represent risks to the council's ability to deliver its priorities and maintain its services.
- 7 This is against a backdrop of declining central government funding over recent years. The combination of these pressures means that the council needs to act to maintain a stable and resilient financial position while still delivering on the priorities set out in the Council Plan. These priorities include continuing to invest in adult social care and support for children, and supporting its communities facing the cost of living crisis. Meanwhile, the council has an extensive and ambitious programme of major capital projects designed to stimulate economic growth, to deliver more housing, and to improve its highway network infrastructure.

- 8 The work programme for 2023/24 represents a summary of the overall areas we currently believe will be the highest priority for work during the next year, based on our current assessment of risk facing the council. This assessment involves giving careful consideration to:
- systems where the volume and value of transactions processed are significant, or the impact if risks materialise is very high, making the continued operation of regular controls essential
 - areas of known concern, where a review of risks and controls will add value to operations
 - areas of significant change which may include providing direct support / challenge to projects, reviewing project management arrangements, or consideration of the impact of those changes on the control environment, for example where reductions in resources may result in fewer controls.
- 9 Internal audit work covers a range of risk areas to ensure that, overall, the work undertaken will enable us to meet the requirement to provide an overall opinion on the council's framework of risk management, governance and internal control.
- 10 We have defined 11 areas where we require assurance during the course of the year to help provide that opinion:
- strategic planning
 - organisational governance
 - financial governance
 - risk management
 - information governance
 - performance management and data quality
 - procurement and contract management
 - people management
 - asset management
 - programme and project management
 - ICT governance
- 11 The 11 assurance areas represent aspects of the council's systems of internal control that need to be in good health and functioning correctly to maximise the likelihood that its objectives are achieved without undue exposure to risk.
- 12 The requirement to provide assurance across these areas to arrive at a strong, evidenced-based annual opinion is taken into account when identifying and prioritising work throughout the year. The process for developing the 2023/24 work programme has involved the following key steps:
- undertaking a detailed review of the council's corporate risk register, including changes in risk profile over time, controls and actions

- understanding the council's longer- and shorter-term objectives through an extensive desktop review of committee reports, decisions, performance data, and Council Plan priorities
 - evaluating other known risk areas (for example, areas of concern highlighted by management or through our experience at other clients), and
 - considering fundamental controls, the results of recent audit work, outcomes from any external reviews, and changes in council services and systems.
- 13 The results of these assessments and considerations have been combined to allow us to evaluate the impact and value each potential audit would bring. The proposed areas of coverage have already been subject to consultation with the Audit and Governance Committee, as part of its 18 January 2023 meeting, and they continue to be subject to consultation and discussion with directors and senior officers from across the organisation.
- 14 The overall programme, and the relative priorities for work within it, will be revisited and updated throughout the year. Work to be started will be based on the most immediate priorities at any point. We will regularly consult with officers on the priority, scope and timing of work to help ensure that we provide assurance in the right areas at the right time. We will also provide regular updates on the scope and findings of our work to the Audit and Governance Committee throughout 2023/24.



2023/24 INTERNAL AUDIT WORK

- 15 The work programme is based on a total commitment of 1023 days. Further detail on the current priorities for internal audit coverage during 2023/24 is provided in appendix A.
- 16 The programme is designed to ensure that limited audit resources are prioritised towards those areas which are considered to carry the most risk or which contribute the most to the achievement of the council's strategic priorities and objectives.
- 17 Functionally, the indicative programme is structured into a number of sections, as set out below. In assessing the work to be included in each section, consideration is given to the priorities listed at paragraph 8 and the areas set out in paragraph 10.
- **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 areas** – 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.

- 18 It is important to emphasise two important aspects of the programme. Firstly, the audit areas included in this programme and the indicative days assigned to each of the areas in appendix A are not fixed. As described in paragraph 14, work will be kept under review to ensure that audit resources continue to be deployed in the areas of greatest risk and importance to the council. This is to ensure the audit process continues to add value.
- 19 Secondly, it will not be possible to deliver all of the audits 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.

APPENDIX A: Indicative Internal Audit Work Programme 2023/24

Area	Indicative Days	Potential activity
Strategic risks / Corporate & cross cutting	300	Budget management Cipfa Financial Management Code (support / consultancy) Management of external funding sources Absence management Agency staff (Children and Education / Adult Social Care and Integration) Freedom of Information Act compliance Physical information security compliance (West Offices and Hazel Court) CCTV Information asset management Contract management (delivery of social value) Risk management (including risk identification support to major projects) York 2032: The 10-Year Plan Data and decision-making Member induction programme Adherence to constitution: decision-making Health and safety Transparency Officer declarations of interest

Area	Indicative Days	Potential activity
		Public health Climate adaptation / carbon reduction
Technical / projects	90	ICT procurement and contract management ICT disaster recovery OneDrive / Microsoft Teams information governance NHS Data Security and Protection Toolkit (thematic review) Overall project management arrangements and / or specific support and review of key projects
Financial systems	110	Main accounting system Treasury management Ordering and creditor payments Sundry debtors Payroll Council tax and NNDR Housing benefits
Service areas	340	Procurement Bill (preparedness assessment) Adult education Ward committee model / locality working Asset management (housing management services and highways)

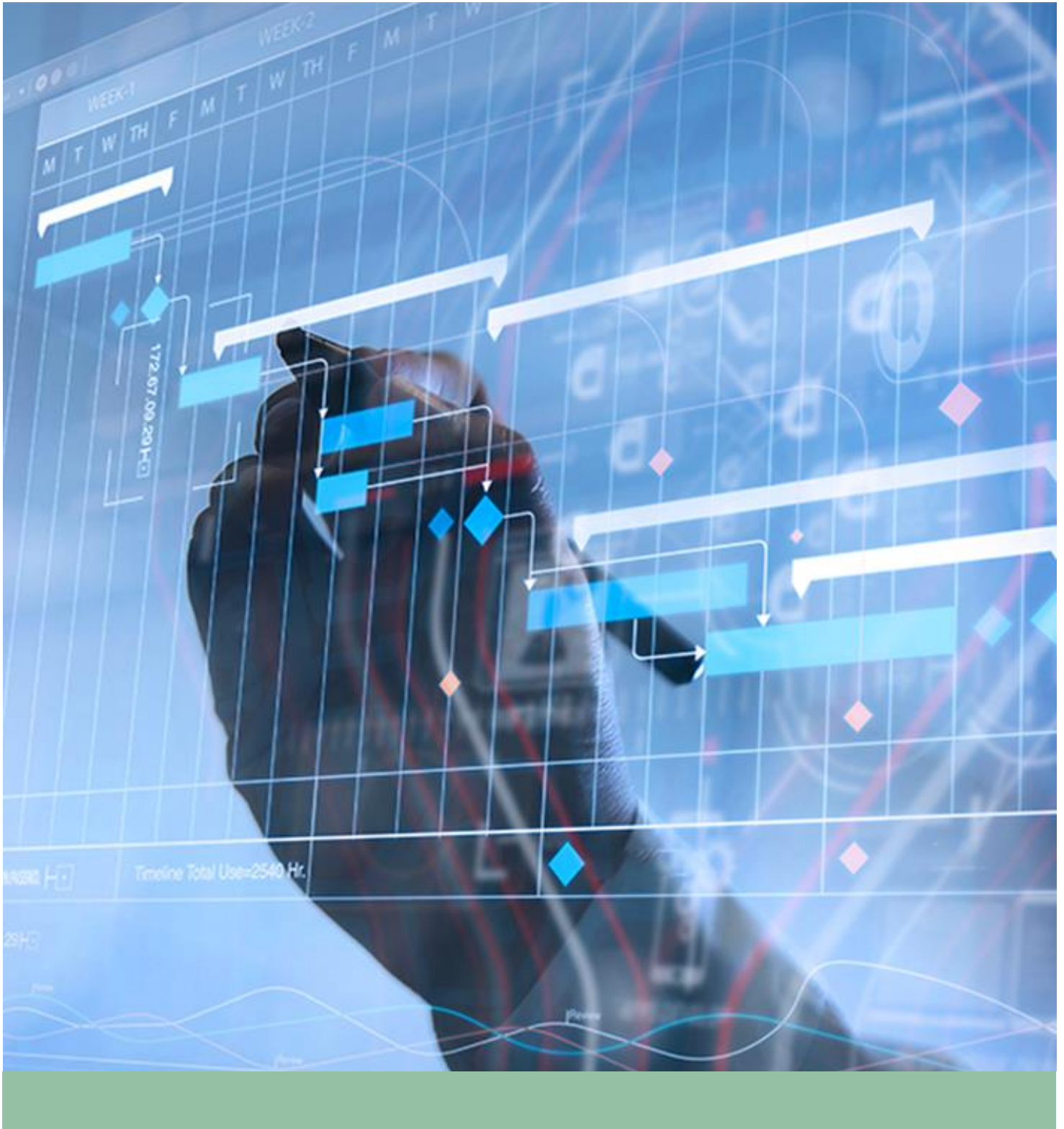
Area	Indicative Days	Potential activity
		<p>Additional landlord duties</p> <p>Section 106 agreements</p> <p>Community Infrastructure Levy</p> <p>Public EV Charging Strategy (tariff management)</p> <p>Highway maintenance scheme development review</p> <p>Public protection</p> <p>Continuing healthcare</p> <p>Integrated care partnerships</p> <p>Commissioning (adult social care)</p> <p>Reablement and independent living</p> <p>Mental health services</p> <p>Payments to care providers and contract management</p> <p>Performance management and data quality (children's social care)</p> <p>Early help (assessments and interventions)</p> <p>Adoption / SGO / CAO allowances</p> <p>Children's safeguarding</p> <p>Safety Valve (implementation review)</p> <p>Education, health and care plans (EHCPs)</p> <p>Free early education funding</p> <p>School themed audits</p>

Area	Indicative Days	Potential activity
Other assurance work	90	<p>Follow-up of previously agreed management actions</p> <p>Continuous audit planning and additional assurance gathering to help support our opinion on the framework of risk management, governance and internal control</p> <p>Continuous assurance work, including data analytics and data matching projects</p> <p>Attendance at, and contribution to, governance- and assurance-related working groups</p>
Client support, advice & liaison	93	<p>Committee preparation and attendance</p> <p>Key stakeholder liaison</p> <p>Support and advice on control, governance and risk related issues</p>
TOTAL	1023	

COUNTER FRAUD WORK PROGRAMME 2023/24

Date: 15 March 2023

Annex 2





Jonathan Dodsworth
Assistant Director - Counter Fraud



Max Thomas
Head of Internal Audit

INTRODUCTION

- 1 Veritau undertakes counter fraud work on behalf of City of York Council. This document summarises the agreed areas of counter fraud work for 2023/24.
- 2 A total of 983 days of counter fraud work has been agreed for 2023/24. A large proportion of this work will comprise reactive investigations which are determined by referrals received from officers and the public about suspected fraud. Other work will be undertaken in accordance with priorities determined by the Counter Fraud Risk Assessment and Counter Fraud Strategy Action Plan (last presented to the Audit and Governance Committee in January 2023).
- 3 A high level summary of areas for counter fraud work in 2023/24 are shown in the table below.


2023/24 WORK PROGRAMME

Area	Scope
Counter Fraud General	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 Cabinet Office 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.

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Agenda Item

Audit and Governance Committee

15 March 2023

Report of the Head of Internal Audit

Audit & Counter Fraud Progress Report

Summary

- 1 This report provides an update on the delivery of the internal audit work programme for 2022/23 and on counter fraud activity undertaken so far in the year.

Background

- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the standards, periodic reports on internal audit work are presented to this committee.

Internal Audit

- 3 The 2022/23 internal audit work programme was approved by this committee at its meeting on 6 April 2022.
- 4 Annex 1 to this report provides an update on progress made against the 2022/23 internal audit work programme. This includes a summary of current work in progress and revised internal audit priorities for the year.

Counter Fraud

- 5 The counter fraud progress report is contained in annex 2. A range of work is detailed including activity to promote awareness of fraud, work with external agencies, and information on the level of fraud reported to date.

Consultation

- 6 Not relevant for the purpose of the report.

Options

- 7 Not relevant for the purpose of the report.

Analysis

- 8 Not relevant for the purpose of the report.

Council Plan

- 9 The work of internal audit and counter fraud helps to support overall aims and priorities by promoting probity, integrity and accountability and by helping to make the Council a more effective organisation.

Implications

- 10 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

Risk Management Assessment

- 11 The council will be non-compliant with the PSIAS if the results of audit work are not reported to the committee and could therefore be exposed to increased levels of scrutiny and challenge.

Recommendation

- 12 Members are asked to:

- (a) note the progress made in delivering the 2022/23 internal audit work programme, and current counter fraud activity.

Reason

To enable members to consider the implications of audit and fraud findings.

Contact Details

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Chief Officer Responsible for the report:

Bryn Roberts
Director of Governance
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**Report
Approved**



Date 06/03/2023

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers

- 2022/23 Internal Audit Work Programme and Counter Fraud Plan

Annexes

Annex 1 – Internal Audit progress report
Annex 2 – Counter Fraud progress report

Exempt annex 3 – Physical information security (West Offices and Hazel Court) internal audit report

Exempt annex 4 – Physical information security (satellite sites) internal audit report

Available on the council's website

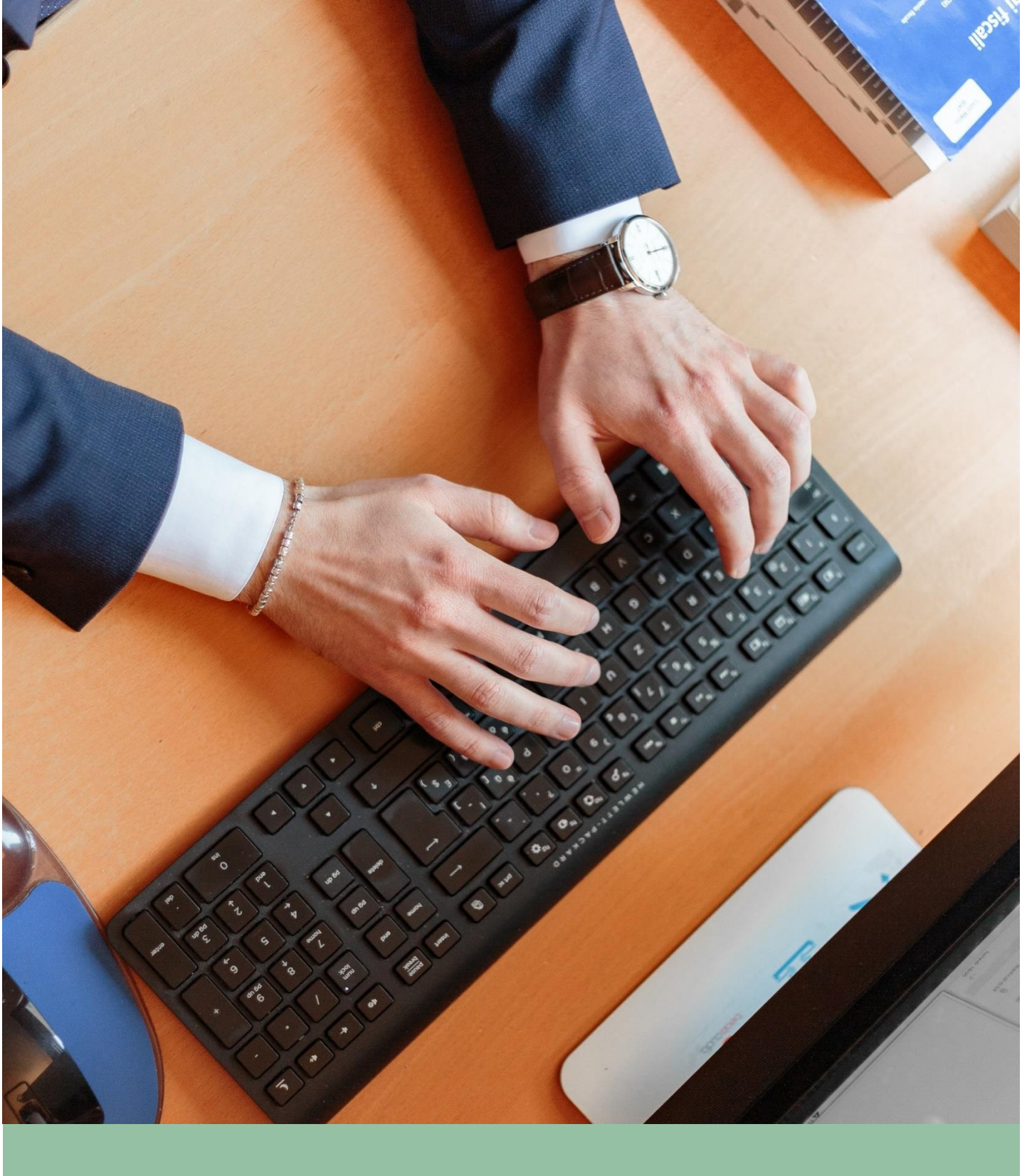
The following internal audit reports referred to in annex 1 are published on the council's website:

- Payroll (schools)
- Absence management (schools)
- ICT asset management
- Complaints, concerns, comments and compliments
- Commercial waste (follow-up)
- 100-hour short breaks

INTERNAL AUDIT PROGRESS REPORT 2022/23

Date: 15 March 2023

Annex 1



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 Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on the application of those standards in Local Government and the CIPFA Statement on the role of the Head of Internal Audit.
- 3 In accordance with the PSIAS, the Head of Internal Audit is required to report progress against the internal audit work programme agreed by the Audit and 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 April 2022. The number of agreed days is 1,023 and the programme is high-level and flexible in nature.
- 5 Veritau is into its second full year of fully flexible work programme development and delivery. This approach was introduced to ensure we keep pace with developments in the internal audit profession and to ensure that we can continue to deliver a responsive service. In line with this approach, work is being 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 3 March 2022.

INTERNAL AUDIT PROGRESS

- 7 The slower than anticipated start to delivery of 2022/23 work is continuing to have an impact on the work programme but the pace of delivery has continued to increase during the second half of the year. In the period since November 2022, we have finalised eight audits. A further seven audits have been reported in draft form and will be finalised over the coming weeks.
- 8 All remaining audits in the 2022/23 work programme that we have assessed as priorities to deliver are now in progress. Several of these are a good way through the fieldwork stage. However, the majority are at early stages of fieldwork and four are still in the planning phase. These audits will continue into the first quarter of 2023/24. We are aiming to report the findings in time for the next meeting of this committee in June.
- 9 In addition to delivery of the internal audit work programme, we have undertaken certification work on four government grants and have begun providing support and advice on the design of the council's assurance framework for its £5.8m share of the UK Shared Prosperity Fund.
- 10 A summary of internal audit work currently underway, as well as work finalised in the year to date, is included in appendix A.

- 11 Other audits in the work programme currently classed as do next or do later¹ are being reviewed as part of the audit planning process for 2023/24, alongside new and emerging areas. Those that remain a priority will be included in the 2023/24 work programme. Committee members can see the outcome of our current assessment of priorities for 2023/24 in the indicative work programme report included on the agenda for the current meeting.
- 12 Our previous progress report to this committee showed two audits (asset management and continuing healthcare) as being underway. These audits have now been deferred to 2023/24 to make time to deliver other priority work in the current year's programme and, in the case of the asset management audit, to allow the work to be re-scoped and aligned with changing priorities in the Place directorate.
- 13 A summary of the eight audits that have been completed since the last report to this committee in November 2022 is included in appendix B. The appendix summarises the key findings from these audits as well as details of the actions agreed. The finalised reports listed in appendix B (except for both physical information security reports, which have been made exempt) are published online, along with the papers for this committee.
- 14 Appendix C lists our current definitions for action priorities and overall assurance levels.

FOLLOW UP

- 15 All actions agreed with services as a result of internal audit work are followed up to ensure that underlying control weaknesses are addressed. Since the last report to this committee a further 16 actions reviewed have been completed. A detailed review of all outstanding actions has recently been completed and a significant number of actions are currently being followed up. A further update will be included in the Head of Internal Audit annual report in June.

¹ The internal audit work programme includes all potential areas to 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).

APPENDIX A: 2022/23 INTERNAL AUDIT WORK

Audits in progress

Audit	Status
Main accounting system	In draft
Ordering and creditor payments	In draft
Savings plans	In draft
Direct payments	In draft
Debtors	In draft
Jewson managed store contract	In draft
Food and fuel voucher scheme	In draft
Additional payment to care workers (spot check)	In progress
Council tax and NNDR	In progress
ICT remote access	In progress
Risk management	In progress
CCTV	In progress
Public health (procurement and contract management)	In progress
Adult social care: adults safeguarding	In progress
Health and safety	In progress
Procurement and contract management	In progress
Insurance arrangements	In progress
Teckal company governance: Make it York	In progress
Foster carer payments	In progress
Parking	In progress
Data security incident management	In progress
SEN funding (schools)	In progress
SFVS (schools)	In progress
Housing rents (inc. data quality)	In progress
Hire cars	Planning
Performance management and data quality	Planning
Business continuity	Planning
York Climate Change Strategy	Planning

Final reports issued

Audit	Reported to Committee	Opinion
Physical information security (satellite sites)	March 2023	Reasonable Assurance
Physical information security (West Offices and Hazel Court)	March 2023	Reasonable Assurance
Payroll (schools)	March 2023	Substantial Assurance
Absence management (schools)	March 2023	Reasonable Assurance
ICT asset management	March 2023	Reasonable Assurance
Complaints, concerns, comments and compliments	March 2023	Reasonable Assurance
Commercial waste (follow-up)	March 2023	No Opinion Given
100-hour short breaks	March 2023	No Opinion Given
Council tax support and housing benefit	November 2022	Substantial Assurance
Poppleton Road Primary School	November 2022	Reasonable Assurance
Contract management – GLL Community Stadium & Leisure	November 2022	Reasonable Assurance
Safety Advisory Group (SAG) governance	June 2022	Reasonable Assurance
Fishergate Primary School	June 2022	Reasonable Assurance
Highways CDM (construction, design and management) regulations	June 2022	Reasonable Assurance

Other work in 2022/23

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

- Follow up of agreed actions
- Grant certification work:
 - Scambusters
 - West Yorkshire Plus Transport Fund and Transforming Cities Fund
 - Contain Outbreak Management Fund
 - Supporting Families Programme (September and December 2022 returns)
 - Green Homes Grant LAD 1B
 - Green Homes Grant LAD 2
 - UK Community Renewal Fund
 - Local Authority Test and Trace Support Payment Scheme
 - Public Health England Adult Weight Management Services Grant
 - Provision of support and advice on the design of the UK Shared Prosperity Fund assurance framework
- Assurance review of the ESFA subcontracting standards for post-16 providers

- Feedback of Health and Safety audit findings to CMT
- Completion of council-wide records management health check (via survey)
- Completion of analytics-led review of payroll system data integrity
- Completion of special severance payment review against the City of York Council Exit Guidance
- Provision of support and advice:
 - Payroll deviance checking process
 - Processing of Yorwaste invoices
 - Responding to internal requests to amend supplier details

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

System/ area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Management actions agreed
100-hour short breaks	No Opinion Given	The audit was undertaken as a consulting assignment to assist the service in their own review of processes. The main objective was to assess the efficiency and effectiveness of systems in place to administer short breaks. This included processes for eligibility checking, monitoring and review of arrangements, and recordkeeping.	21 November 2022	<p>No assessment is undertaken by the council prior to awarding short breaks funding. In most cases a payment of approximately £1,000 is made to a family each year until the child reaches 18. This is because there is no review process in place. As there is limited contact with the families, the service may not be notified if the family move out of area and are no longer eligible for funding. The service has seen budget overspends for the previous five years.</p> <p>Families who apply for short breaks funding do not need to provide any evidence that the funding has been spent as intended. The council also lacks qualitative information to evidence the benefits of the service.</p> <p>The service has taken positive actions since the review began to tighten controls. However, there are several fundamental control weaknesses that need to be addressed within the processes for administering short breaks funding.</p>	<p>N/A – no management actions were agreed. 18 recommendations were made to further support the service in making improvements to the control framework.</p> <p>Veritau has offered to assist with the identification of any residual control gaps and risks when the service completes its review and prior to any implementation of revised systems, processes, and controls.</p>

System/ area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Management actions agreed
Commercial waste (follow-up)	No Opinion Given	The purpose of this audit was to provide assurance to management that sufficient progress has been made towards completing the actions agreed in the previous audit undertaken in 2020/21. The audit also assessed whether the actions taken have been effective in addressing the control weaknesses identified.	1 February 2023	<p>Progress has been made in addressing the weaknesses identified in the original audit report. Of the nine agreed actions, we concluded that four had been completed in full, with the associated risks and control weaknesses satisfactorily addressed. This included claiming through the government's Income Compensation Scheme, raising invoices in a timelier manner, stopping physical cash payments, and assigning clear ownership for setting fees and charges. However, the following key issues were found to still exist:</p> <ul style="list-style-type: none"> No central management information system is in place to store and organise data in relation to customers and collections. Crew sheets are not being properly completed and the information on the crew sheets is not used or analysed. Waste Transfer Notes are not being renewed in a timely manner. 	<p>The service plans to implement the Webaspx Trade Module during 2023/24. This should ease pressure within the team and help to make certain tasks more efficient, such as reconciling information held on the waste and finance databases and automating crew sheet information.</p> <p>Some resource has been added to the team as a result of the recent management restructure. The impact of this will be assessed before determining whether certain tasks, such as chasing duty of care documentation, should be transferred to Business Support.</p>
Complaints, concerns,	Reasonable Assurance	This audit primarily focused on processes in place	2 February 2023	The council has recently reviewed its policy procedures – the Complaints, Concerns, Comments and	A robust quality assurance process will be identified and

System/ area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Management actions agreed
<p>comments and compliments</p>		<p>to respond to corporate complaints effectively, and in a timely manner. It also included a review of how concerns, comments and compliments are identified, tracked and responded to.</p>		<p>Compliments (4Cs) toolkit. The toolkit is comprehensive and has been developed in a way that helps to ensure processes followed are in line with Local Government and Social Care Ombudsman (LGSCO) best practice guidance. The council’s website contains clear and comprehensive public-facing guidance for customers wanting to complain or leave feedback.</p> <p>Most complaints are responded to within the specified timescales. However, this year’s LGSCO annual review letter raised an issue with response times where complaints are escalated outside of the corporate complaints procedure. The Corporate Governance Team (CGT) has already developed processes to address this finding. These include setting earlier internal deadlines that service areas need to meet.</p> <p>There is currently no quality assurance process in place to ensure that responses to complaints and feedback are of good quality and meet policy expectations. We also found that training and skills assessments are not maintained for members of the CGT.</p>	<p>implemented. The QA process will be reviewed to ensure it is effective and any necessary adjustments or amendments will be made.</p> <p>A robust training and learning (T&L) log process will be identified and implemented. The T&L log process will be reviewed to ensure it is effective and any necessary adjustments or amendments will be made.</p>

System/ area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Management actions agreed
ICT asset management	Reasonable Assurance	The audit reviewed the design and effectiveness of controls in place to manage ICT assets throughout their lifecycle.	9 February 2023	<p>Overall management of the council’s ICT assets is effective. Clear processes are in place for the purchase, configuration, assignment, and patching of devices.</p> <p>However, some weaknesses were identified. These included inventory record mismatches between systems, outdated asset ownership information, the existence of a small number of duplicate asset numbers, a lack of clear or consistent guidance on reporting lost / stolen devices, and disposal procedures that do not fully meet guidance under the Financial Procedure Rules.</p> <p>The council has a clear, comprehensive, patch management policy applicable to all information storage media. The policy and procedures were reviewed and found to meet industry best practice.</p>	<p>ICT will work with HR to review the use of Microsoft Forms as an alternative to the existing HR leaver’s checklist ahead of taking a proposal to the Governance, Risk and Assurance Group.</p> <p>Reminders will be sent to staff outlining the process for requesting the removal or transfer of ICT devices within council offices and notifying ICT of this request.</p> <p>ICT will work with audit and an analysis of the identified duplicates will be undertaken and potential duplicates will be investigated to identify root causes and possible solutions.</p> <p>ICT will continue to develop a Microsoft Form for reporting lost or stolen assets in conjunction with Information Governance, Veritau and the Service Desk.</p> <p>ICT will review the existing disposals process and storage</p>

System/ area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Management actions agreed
					<p>arrangements. Where necessary, ICT will update these in line with the council's Financial Regulations. As part of this review, a second approval procedure will be developed for devices considered beyond economic repair to document approval for disposal prior to the disposal occurring.</p> <p>ICT will investigate devices identified on SNOW as remaining within the organisation, despite being listed as disposed on the disposal register, to identify root cause and possible solutions.</p> <p>The council will reach out to other local authority ICT services to establish how they approach setting the de minimis level for asset classifications.</p>
Absence management (schools)	Reasonable Assurance	This audit involved reviewing absence management arrangements in	24 February 2023	All schools reviewed had adopted the model absence management policy developed by the council. All of the	The findings of the audit will be shared with maintained schools, to highlight the risks

System/ area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Management actions agreed
		place across a sample of 6 maintained schools.		<p>policies had been reviewed within the last two years.</p> <p>Inconsistencies were found in the evidence held on employees' fitness for work. Several absences exceeded the self-certification period without documented explanation. Evidence was not always found to show return-to-work interviews had taken place. Where they did take place there were often long delays between the return from absence and a meeting being held.</p> <p>All of the schools maintained an absence management log. However, there wasn't always evidence to show these were used to monitor trends or identify when trigger points were met.</p> <p>Phased returns are well managed, with risk assessments undertaken and the correct health advice and support accessed when necessary.</p>	<p>and control weaknesses identified. They will be asked to review their practices to ensure these follow their absence management policy. Schools will be reminded of their responsibilities to complete return to work interviews promptly.</p> <p>Schools will be asked to consider providing assurance to governors that the absence management policy is being followed. This could be by providing high level reports on absence levels and by exception reporting on trigger points reached and action taken.</p>
Payroll (schools)	Substantial Assurance	This audit involved reviewing the design and operation of key payroll controls across a sample of	24 February 2023	All but one school were using a summary log to record the number of additional hours worked by staff each month. All schools confirmed that additional hours are planned	The findings of the audit will be shared with maintained schools, highlighting the risks and control weaknesses identified. Schools will be asked to review their

System/ area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Management actions agreed
		7 maintained schools.		<p>and pre-authorised wherever possible.</p> <p>With some minor exceptions, additional hours payments were accurate and were consistent with completed timesheets; timesheets were signed by employees and line managers. Additional hours claimed were paid promptly.</p> <p>All the schools ensure payroll runs are authorised prior to submission to the payroll provider. However, post-payment checks in three schools were undertaken by the same member of staff responsible for submitting payroll information.</p> <p>All the schools produced monthly budget monitoring reports. These were shared with governors on a regular basis. A review of the latest budget monitoring reports for 2022/23 confirmed that schools are generally forecasting expenditure for supply and agency staff to be within budget.</p>	timesheet recording, authorisation, and document retention processes. Schools will also be reminded of the importance of having a process in place to independently check and reconcile payments to their employees.
Physical information security (West)	Reasonable Assurance	Physical information security checks were undertaken at West	1 March 2023	The council remains reasonably well protected against accidental disclosure of information from West Offices and Hazel Court, despite	A number of actions were agreed with management to address the control weaknesses identified. These

System/ area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Management actions agreed
Offices and Hazel Court)		<p>Offices and Hazel Court to assess the extent to which personal, sensitive, and confidential data was stored securely and to identify any general security weaknesses at both sites.</p> <p>The audit also included an assessment of arrangements in place to control and monitor access to the Council's CCTV room in West Offices.</p>		<p>significant changes to working patterns and office utilisation following the Covid-19 pandemic.</p> <p>Suitable arrangements are in place to control and monitor access to West Offices and Hazel Court. Most information and assets held within the buildings were stored securely in locked cupboards and the clear desk policy is generally adhered, although some physical information security weaknesses were noted.</p>	included actions specific to the sites visited as well as actions applicable to staff working at the council's other offices.
Physical information security (satellite sites)	Reasonable Assurance	This audit involved carrying out an inspection of 5 council premises to assess the adequacy of physical information security arrangements. The audit also included a review of the general security	2 March 2023	<p>This audit found that physical building security across the sites visited was generally effective and operating as intended.</p> <p>The council operates a clear desk policy across all offices. This was generally being adhered to. Personal information was rarely left unsecured within working areas, although some instances of this were noted.</p>	A number of actions were agreed with management to address the control weaknesses identified.

System/ area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Management actions agreed
		and key storage arrangements at each site.			

APPENDIX C: AUDIT OPINIONS AND PRIORITIES FOR ACTIONS

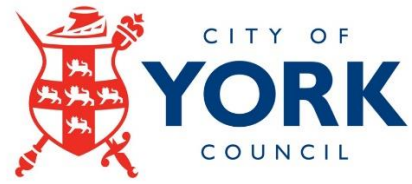
Audit opinions	
Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.	
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.

Priorities for actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

COUNTER FRAUD PROGRESS REPORT 2022/23

Date: 15 March 2023

Annex 2





BACKGROUND

- 1 Fraud is a significant risk to the public sector. The government estimates that the taxpayer loses up to £51.8 billion to fraud and error in public spending every year¹. Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 Veritau delivers a corporate fraud service to the council which aims to prevent, detect and deter fraud and related criminality. The counter fraud team investigate allegations of fraud, plan and take part in counter fraud campaigns (eg the National Fraud Initiative), undertake fraud awareness activities with staff and the public, and maintain and update the council's counter fraud framework and associated policies.
- 3 The purpose of this report is to update the Committee on counter fraud activity up to 31 January 2023.



FRAUD MANAGEMENT

- 4 Veritau undertakes a range of non-investigative activity to support the development of counter fraud arrangements at the council. The council's counter fraud framework was reviewed and updated in January. This included a revised strategy action plan and fraud risk assessment.
- 5 A key objective for the counter fraud team is to raise awareness of fraud with members of staff and the public. International Anti-Corruption Day was marked in December by providing information to employees about the threat of bribery and money laundering to the council. This followed earlier exercises during International Fraud Awareness Week in November, Cyber Security Awareness Month in October, and World Whistleblowers' Day in June.
- 6 Fraud awareness training has also been provided to staff working within adult social care, housing management, housing registrations, housing options and parking enforcement in 2022/23.



MULTI-AGENCY WORK

- 7 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 Cabinet Office and the exercise runs every two years. The results of the 2022/23 datamatching exercise have now been released. There are 7,500 matches to be reviewed by the counter fraud team and other teams across the council.
- 8 The council are required to respond to requests for information from the Department for Work and Pensions (DWP) who investigate Housing Benefit fraud. In cases where council tax support is in payment, the counter fraud

¹ Fraud and Error (Ninth Report of Session 2021/22), Public Accounts Committee, House of Commons

team can jointly investigate with DWP counterparts. The team have responded to 40 requests for information to date.

INVESTIGATIVE WORK

- 9 In 2022/23, the counter fraud team has received 256 reports of suspected fraud. These cover areas including adult social care, social housing, council tax, council tax support, internal fraud, parking, and business rates.
- 10 Up to 31 January 2023, the team has helped the council to achieve £143k in savings and £7k in Covid-19 related savings. The team has completed 103 investigations and there are currently 63 ongoing active cases. To date, formal warnings have been issued to 28 people. Two council properties have been recovered. Three internal investigations have been completed. Payments were blocked following two attempts to commit mandate fraud against the council. In addition, the team has helped the council verify 41 applications relating to applications for Right to Buy. One Right to Buy application has been stopped.
- 11 A summary of investigative work can be found in appendix A, below.

APPENDIX A: SUMMARY OF INVESTIGATIVE WORK 2022/23

The table below shows the success rate of investigations and levels of savings achieved through counter fraud work in 2022/23.

	2022/23 (As at 31/01/23)	2022/23 (Target: Full Yr)	2021/22 (Actual: Full Yr)
Amount of actual savings (quantifiable savings - eg repayment of loss) identified through fraud investigation	£143,519	£200,000	£205,328
Amount of savings identified relating to Covid-19 grant related fraud	£7,604	n/a	£60,000
% of investigations completed which result in a successful outcome (for example payments stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked)	51%	30%	47%

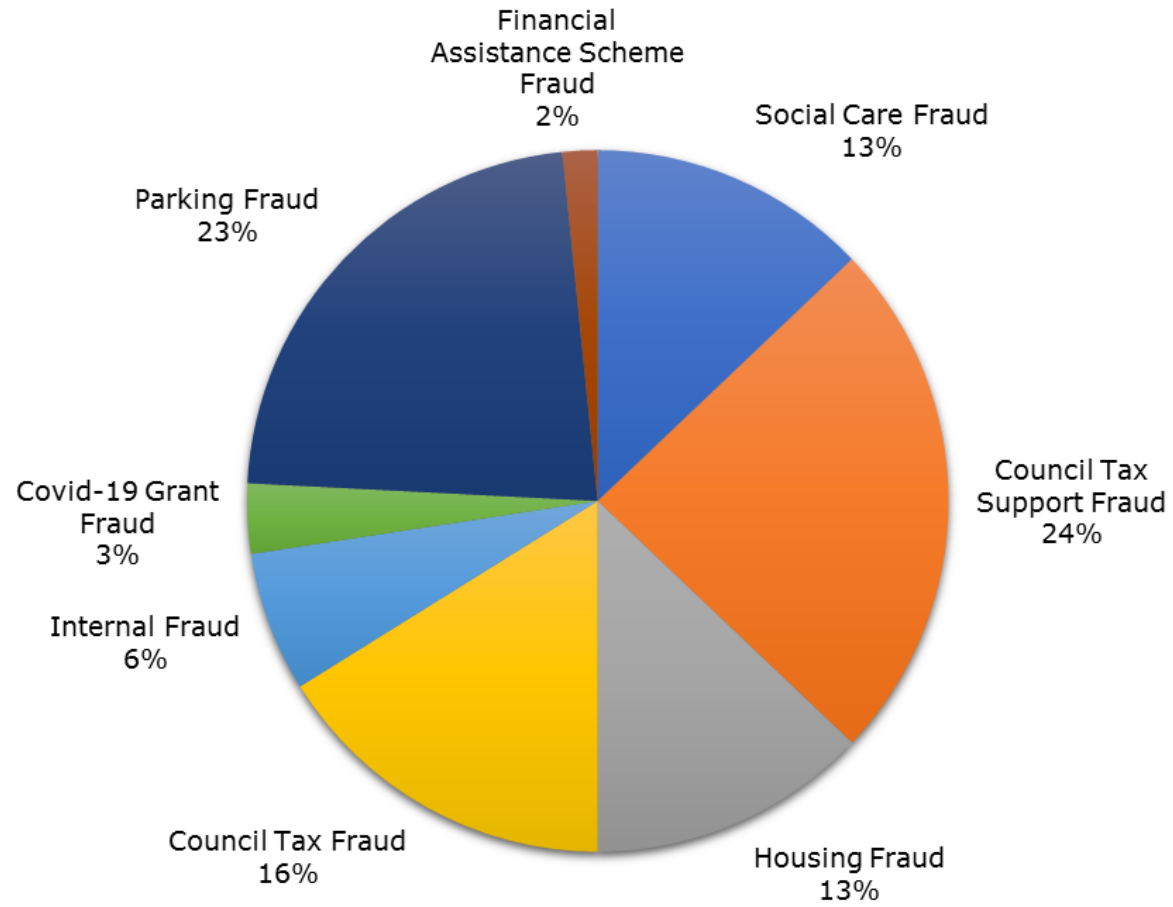
Caseload figures for the period are:

	2022/23 (As at 31/01/23)	2021/22 (Full Year)
Referrals received	256	381
Number of cases under investigation	63	69 ²
Number of investigations completed	103	133
Number of verifications completed ³	41	94

² As at the end of the financial year (ie 31/03/2022)

³ Verification cases include reviews of applications for Right to Buy and school placements.

The chart below shows the proportion of different case types under investigation as of 31 January 2023.



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 – Two council properties have been recovered by the council as a result of investigations by the counter fraud team. One property was being illegally sublet to relatives of the tenant and the other had been abandoned. Both properties have now been assigned to people on the housing waiting list. The team have completed fourteen investigations in this area and there are eight cases currently under investigation. Forty-three Right to Buy applications have been examined as part of anti-fraud verification reviews. One Right to Buy was blocked as a result of information gathered in the review process. • Covid-19 related fraud – Investigations relating to Covid-19 grants and payments are now almost complete. There are currently three ongoing cases. Two relate to grants made to businesses and one is a Test and Trace Support Payment made to a member of the public. The team have completed eighteen investigations in 2022/23, resulting in seven written warnings being issued, one referral to the police, and an application being blocked before payment was made. • Adult Social Care fraud – The team has completed six investigations in this area and eight are ongoing. Savings of £53k have been made by the council as a result of investigations. • Internal investigations – Three internal investigations have been completed. There are currently four ongoing investigations. • External (or third party) fraud – The team have completed five investigations to date, and one is ongoing. Two attempted mandate frauds (payment diversion frauds) have been prevented in 2022. • Council Tax Support fraud – Seven investigations have been completed in this area and there are fifteen cases under investigation. Work in this area has resulted in £50k of savings for the council in 2022/23 to date. • Council Tax fraud – Fifteen investigations into Council Tax offences have been completed in 2022/23. Two people have been issued with formal warnings and a further five people have been invoiced for unpaid Council Tax. There are ten ongoing investigations; all but one relate to suspected single person discount fraud.

Activity	Work completed or in progress
	<ul style="list-style-type: none"><li data-bbox="483 263 1904 327">• Business rates fraud – Two investigations into business rate fraud have been completed in 2022/23. Both resulted in formal warnings being issued.<li data-bbox="483 351 2033 566">• Parking fraud – Twenty-six investigations into parking fraud have been completed which resulted in fourteen formal warnings being issued. While most related to the misuse of disabled blue badges there has been an increase in fraud associated with parking permits being used to facilitate parking at holiday accommodation. Where possible businesses or property owners have been billed for not using commercial parking permits and this has resulted in £12k of payments to the council in 2022/23.

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