



## Notice of meeting of a Public Meeting

### Audit & Governance Committee

<b>To:</b>	Councillors Potter (Chair), Brooks (Vice-Chair), Ayre, Barnes, Burton, Watson, Wiseman and Mr Whiteley (Co-opted Non-Statutory Member)
<b>Date:</b>	Wednesday, 16 April 2014
<b>Time:</b>	5.30 pm
<b>Venue:</b>	The George Hudson Board Room - 1st Floor West Offices (F045)

### AGENDA

#### 1. **Declarations of Interest**

Members are asked to declare:

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

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

#### 2. **Minutes** (Pages 1 - 22)

To approve and sign the minutes of the meeting of the Audit and Governance Committee held on 12 February 2014.

### **3. Public Participation**

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Committee's remit can do so. The deadline for registering is **5:00 pm on Tuesday 15 April 2014.**

Members of the public may speak on:

- An item on the agenda
- An issue within the remit of the Committee

### **Filming, Recording or Webcasting Meetings**

Please note this meeting may be filmed and webcast and that includes any registered public speakers, who have given their permission. This broadcast can be viewed at <http://www.york.gov.uk/webcasts>.

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The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at [http://www.york.gov.uk/downloads/download/3130/protocol\\_for\\_webcasting\\_filming\\_and\\_recording\\_of\\_council\\_meetings](http://www.york.gov.uk/downloads/download/3130/protocol_for_webcasting_filming_and_recording_of_council_meetings)

### **4. Forward Plan (Pages 23 - 28)**

This paper presents the future plan of reports expected to be presented to the Committee during the forthcoming year to February 2015.

### **5. Key Corporate Risk Monitor Four 2013/14 (Pages 29 - 44)**

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

**6. Update on Changes to Transparency Requirements (Pages 45 - 98)**

This report provides an update following the recent Government response to a consultation by the Department for Communities and Local Government on the Code of Recommended Practice on Data Transparency in Local Government. The report sets out the key changes in terms of additional information that is recommended to be published, and the action the Council is taking to comply with this.

**7. Project Boards (Pages 99 - 102)**

This report outlines the Council's approach to the set up of project boards during the start up phase of a project lifecycle.

**8. Mazars Audit Strategy Memorandum (Pages 103 - 118)**

This report from Mazars presents the Audit Strategy Memorandum for the year ended 31 March 2014.

**9. Mazars Certification of Claims and Returns Work Plan 2013/14 (Pages 119 - 130)**

This report from Mazars presents the Certification of Claims and Returns Work Plan 2013/14.

**10. Mazars Audit Progress Report (Pages 131 - 140)**

This report updates Members on Mazars' progress in meeting its responsibilities as external auditor. It also outlines key emerging national issues and developments.

**11. Internal Audit, Counter Fraud and Information Governance Plan 2014/15 (Pages 141 - 162)**

This report seeks the Committee's approval for the planned programme of audit, counter fraud and information governance work to be undertaken in 2014/15.

**12. Audit and Counter Fraud Monitoring Report (Pages 163 - 188)**

This report provides an update on progress made in delivering the internal audit workplan for 2013/14 and on current counter fraud activity.

### 13. Internal Audit Follow Up Report (Pages 189 - 194)

This is the regular six monthly report to the committee setting out progress made by Council departments in implementing actions agreed as part of internal audit work.

### 14. Urgent Business

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

Democracy Officer:

Name: Jayne Carr

Contact Details:

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Email – [jayne.carr@york.gov.uk](mailto:jayne.carr@york.gov.uk)

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

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

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

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Meeting	Audit & Governance Committee
Date	12 February 2014
Present	Councillors Potter (Chair), Brooks (Vice-Chair), Ayre, Barnes, Burton, Watson and Wiseman
Apologies	Mr Whiteley (Co-opted Non-Statutory Member)

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## **Part A - Matters Dealt With Under Delegated Powers**

### **51. 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.

### **52. Exclusion of Press and Public**

Resolved: That the press and public be excluded from the meeting during consideration of Annex 1 to agenda item 12 (minute 62 refers) on the grounds that it contains information relating to prevention, prosecution or investigation of crime. This information is classed as exempt under paragraph 7 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by the Local Government (Access to Information)(Variation) Order 2006).

### **53. Minutes**

Resolved: That the minutes of the meeting of 11 December 2013 be approved and signed by the Chair as a correct record.

**54. Public Participation**

It was reported that there were no registrations to speak at the meeting under the Council's Public Participation Scheme.

**55. Audit and Governance Committee Forward Plan**

Consideration was given to a paper which presented the future plan of reports expected to be presented to the Committee during the forthcoming year to December 2014.

Members were asked to identify any further items they wished to add to the Forward Plan.

As requested at the meeting of 11 December 2013 (minute 48 refers), it was noted that the following information had been circulated:

- Data on qualifications undertaken by officers in respect of project management
- Information regarding Member presence on project boards

In light of this information, Members were asked to consider whether or not they would wish an item to be included on the Forward Plan to consider these issues in more detail.

The Chair drew attention to an email from the Co-opted Independent Member of the Committee suggesting that all senior project managers hold at least a foundation certificate in Prince 2.

It was suggested that an item on the role of elected members on project boards should be included on the Forward Plan, as this was an issue that had been identified in the Whole Risk Diagnostic. It was noted that, although the Whole Risk Diagnostic had referred to Member representation on the Elderly Persons Homes Board, there was no Elected Member on this board.

Discussion took place regarding the arrangements for the event on engaging with the public which would take place on 1 May 2014. It was noted that an Equalities Review Task Group was currently looking at issues around public engagement with hard to reach groups, including identifying methods for raising awareness of the democratic process amongst York's Communities of Identity. It was hoped that the event on the 1

May 2014 could link into the task group's work. The event would also feed into the ongoing review of the Council's Constitution.

Resolved: That the committee's Forward Plan for the period up to December 2014 be approved subject to the inclusion of an item on the role of elected members on project boards<sup>1</sup>.

Reason: To ensure the committee receives regular reports in accordance with the functions of an effective audit committee and can seek assurances on any aspect of the Council's internal control environment in accordance with its roles and responsibilities.

Action Required

1. Update Forward Plan

EA

**56. Partnership Governance Progress Report**

Members considered a report that provided an update on progress to review partnership governance arrangements in order to strengthen accountability and manage risk.

Resolved: That the actions proposed in the report to improve risk management practice generally, and in particular in relation to partnership governance, be noted.

Reason: To update the committee on the current activity to improve corporate controls over operational partnerships to ensure risks are well managed and partnership arrangements represent good value for money.

**57. Emergency Planning/Business Continuity**

Members considered a report that provided an update on emergency planning and business continuity arrangements.

Members noted the following amendments to the table in paragraph 24 of the report: "In progress" to read "18" "To start" to read "6".

Members noted that reductions in staffing had resulted in the loss of a number of staff who had experience in emergency planning and that work was ongoing to develop strategic and operational capacity. Details were given of the Strategic Command Group (Gold) and the Tactical Command Group (Silver). In the event of a serious incident taking place, Members would be kept updated via email.

Officers were asked about the arrangements that were in place to encourage parish councils to develop Community Emergency Plans. They stated that a community emergency planning training event that had been held for residents had been well attended. The Council was also willing to support communities in developing their own safety/resilience plans.

Resolved: That the report be noted.

Reason: To ensure that Members are kept updated on the emergency planning/business continuity arrangements that are in place.

#### **58. Mazars Audit Progress Report**

Members considered a report that provided an update on the progress made by Mazars in meeting their responsibilities as the Council's external auditor. The report also included key emerging national issues and developments.

Members noted that Mazars was on target to present the Audit Strategy Memorandum to the Audit and Governance Committee in April 2014.

Members' attention was drawn to the key emerging national issues particularly in respect of:

- The response to the national financial challenges faced by Councils.
- The consultation that had taken place as to whether the local authority accounts production timetable should be brought forward. If this were to be implemented it would pose significant challenges for officers.
- The Audit Commission's annual report on fraud had been published in November 2013. The Commission had also produced briefings for individual authorities based on its research. The briefing for City of York Council did not



highlight any major issues of concern in respect of the Council's detection of fraud.

Members asked about the action that was being taken to make the financial statements more accessible. Officers stated that they were committed to reviewing the presentation of the accounts to make them more accessible, including considering ways of better presenting the information on the website. It was, however, acknowledged that there were legislative requirements regarding the content and that some of the information was very complex.

Resolved: That the report be noted.

Reason: To ensure that Members are kept updated on progress.

**59. Mazars Grant Claims Report**

Members considered a report that presented the Mazars Certification of Claims and Returns Annual Report 2012/13.

Members' attention was drawn to Appendix A of the report which was a summary of the certified claims and returns. It was confirmed that the issues in respect of the Teachers' Pension return had been addressed.

Members noted that there had been a reduction of 43.3% on the fees charged for certification work compared to the previous year.

Resolved: That the Mazars Grant Claims report be noted.

Reason: To ensure that Members are aware of the findings of the audit.

**60. Key Corporate Risk Monitor 3**

Members considered a report that presented an update on the key corporate risks and which highlighted in more detail any emerging risk issues with a view to Members considering any further information they would wish to receive on these matters.

Clarification was sought as to why, in view of the financial implications, the situation in respect of Elderly Persons Homes had not been elevated on the risk register. Officers stated that it was acknowledged that the £800,000 savings would not be achieved for 2014/15 and therefore this proposed saving had been removed from the budget papers and had been replaced by proposed savings in other areas. Officers explained the mechanism that was in place to elevate risks.

Consideration was given to the specific directorate risk report for the City and Environmental Services Directorate (annex B of the report). Officers stated that the Local Plan should also have been included in the list of risks detailed in the report.

Resolved: That the report be noted.

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

**61. Scrutiny of the Treasury Management Strategy Statement and Prudential Indicators**

Members considered a report that presented the Treasury Management Strategy Statement and Prudential Indicators 2014/15 to 2018/19. The report detailed the:

- Integrated treasury management strategy statement including the annual investment strategy and the minimum revenue provision policy statement
- Prudential Indicators for 2014/15 to 2018/19
- Revised treasury management policy statement
- Specified and non-specified investments schedule
- Treasury management scheme of delegation and role of the section 151 officer

Resolved: That the Treasury Management Strategy Statement and Prudential Indicators for 2014/15 to 2018/19 be noted.

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

**62. Fraud Risk Assessment**

Members considered a report that detailed potential fraud risks to which the council was exposed and proposed counter fraud activity to address those risks. An assessment of the fraud risks was included at Annex 1 of the report.

Resolved: That the fraud risk assessment and proposed priorities for counter fraud work be noted.

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

**63. Internal Audit Plan Consultation**

Members considered a report that sought their views on the priorities for internal audit for 2014/15, to inform the preparation of the annual audit plan.

Members put forward the following suggestions for inclusion in the audit plan:

- Possible work under “information governance” to include the process of designating items as confidential.
- Possible work under “adult social care” or “major projects” to include elderly persons homes.

Resolved: That the proposed approach to internal audit planning for 2014/15 be noted with a recommendation that the two items detailed above be included in the possible work to be carried out.

Reason: To ensure that scarce audit resources are used effectively.

**Part B - Matters Referred to Council**

**64. Updating the Constitution**

Members considered a report that sought their views on proposed changes to the “Summary and explanation” section of the Constitution.

Members put forward a number of amendments to the draft. It was agreed that the Monitoring Officer, in consultation with the Chair, would incorporate the requested changes and that the updated document would be circulated to Members prior to its submission to Full Council<sup>1</sup>.

Recommend: That the amended draft “Summary and explanation” section of the Constitution replace section one of the current Constitution forthwith.

Reason: To ensure that the Council’s governance arrangements are set out in an easily understood form in its Constitution.

Action Required

1. Incorporate agreed amendments for circulation

AD

Councillor Potter, Chair

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

[Minute Annex – \(amendments agreed as per minute 64\)](#)

## **CONSTITUTION**

### **SECTION 1**

#### **1. INTRODUCTION**

##### **1.1 Purpose and Content of the Constitution**

1.1.1 The Constitution describes the various bodies that make up the Council, their functions, Membership and procedural rules.

1.1.2 In Section [ ] (Getting Information and Getting Involved) we have provided information for members of the public and councillors on how you can get information about the Council, and how you can get involved. We hope that this will help people who have an interest in the Council's work, or a particular matter it is dealing with, understand where they can get more information, and how they can contribute to Council activities.

1.1.3 You can get a better understanding of what each of the Council's bodies do in [Sections] of this Constitution, including Full Council, Cabinet, Overview and Scrutiny Committee, Standards Committee and Regulatory Committees. [Section] provides information on the management and Officer structures of the Council. Some Officers have a specific duty to ensure that the Council operates within the law and uses resources wisely. Responsibility for functions at [Section] says which Council bodies, and which Officers, have authority to make which decisions.

1.1.4 The procedural rules that apply to the different Council bodies are contained in the sections relating to those bodies, eg Full Council (Section), the Cabinet Executive (Section) and Overview and Scrutiny (Section). You may find these useful if you want to attend a meeting, particularly if you want to be able to ask questions, have a matter discussed, or put your point of view [during the public participation section of the meeting](#).

1.1.5 Sections [ ] have the Codes of Conduct and Protocols which Officers and Members have agreed to comply with. They set the standards of behaviour.

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[Minute Annex – \(amendments agreed as per minute 64\)](#)

1.1.6 The Contents pages at the beginning of this Constitution provide a guide on what is in the Constitution and where you can find it.

1.2 **What the Council does**

1.2.1 The City of York Council is a Unitary Council. This means that the City Council is responsible for ensuring that most local authority services are provided to York residents. This contrasts with North Yorkshire where some services are provided on behalf of the North Yorkshire County Council and others by the various District Councils – in Harrogate, Ryedale, Selby etc. [Unlike in some areas the City Council is not directly responsible for the fire service. That is controlled by a Combined Fire Authority made up of Members of the City of York and North Yorkshire County Councillors. York also has thirty Parish and Town Councils providing some services within their communities.](#)

1.2.2 A very wide range of services is provided by the City Council including:

- Supporting economic development to create jobs in the City
- Waste collection and disposal
- Handling planning applications
- Collecting council tax
- Administering housing and council tax benefits
- Assessing and meeting social care needs of the elderly and people with disabilities
- Supporting families and safeguarding vulnerable people
- Ensuring that effective education is made available for school age children
- Providing council housing and advice or accommodation to the homeless
- Maintaining the local highway network
- Ensuring an effective library service
- Providing swimming pools and leisure centres

[Minute Annex – \(amendments agreed as per minute 64\)](#)

- Running the Trading Standards and Environmental Health Services
- Public health

Much more information about what the Council does can be found on the Council's website.

1.2.3 York also has thirty Parish and Town Councils. These are independent of the City Council and represent smaller areas. [Not every part of York has a Parish Council and, where there is one, the services provided will vary but may include providing allotments, managing burial grounds, providing bus shelters, running community centres and providing litter bins. Parish Councils are notified and will comment on planning applications in their area and may also develop Neighbourhood Plans establishing some general planning principles for their area.](#)

[1.2.4](#) Parish Councillors put themselves forward for election every four years. If there are vacancies local people have the right to request a by election following notice of the vacancy being published. If no election is requested then the Parish Council can co-opt individuals to act as Parish Councillors.

1.2.5 The City Council does have responsibilities to receive complaints that Parish Councillors may have breached their Code of Conduct, to undertake reviews of parishing arrangements (known as community governance reviews) and to appoint temporary Parish councillors where there would not otherwise be a quorum. Other than this Parish Councils are self governing. Many Parish Councils have their own websites but you can also find contact details for each Parish on the City Council's website.

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### 1.3 **City of York Councillors**

1.3.1 The City of York Council has 47 councillors. They each represent part of the City known as a "Ward". York has 22 Wards. Some are represented by three, some by two and some by one councillor. Details of current councillors and the wards they represent are available on the Council's website.

[Minute Annex – \(amendments agreed as per minute 64\)](#)

1.3.2 From time to time an independent, national body, the Local Government Boundary Commission, reviews the number of councillors and Ward boundaries and makes recommendations to Parliament for any changes which may be though desirable. Any agreed changes are set out in legislation.

**1.4 Councillor’s allowances**

1.4.1 Councillors are entitled to receive a basic allowance which is the same sum of money irrespective of their role in the Council. Councillors who perform particular roles are also entitled to a special responsibility allowance. Other allowances such as travel, subsistence, internet and dependent care are also payable. The details of the allowances and expenses which may be claimed are set out in a scheme in part [\*\*\*\*\*] of the Constitution. This scheme has to be approved by full Council. Before changing the scheme the Council must consider a report from an Independent Remuneration Panel but Council does not have to accept the Panel’s recommendations. In recent years lower allowances have been agreed than those recommended.

1.4.2 Details of all allowances paid and expenses claimed are published on the Council’s website.

**1.5 Local elections**

1.5.1 York has elections, every four years when all the Council seats are contested. Normally these take place on the first Thursday in May in the relevant election year and, in accordance with the Local Government Act 1972, newly elected councillors take office on the fourth day after election day. The next local elections are scheduled to take place in 2015.

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1.5.2 If a councillor retires or dies then, unless it is within 6 months of a normal election date, a by election will be held to fill the vacancy.

1.5.3 Most councillors belong to a political party and York currently has representatives of the Labour, Conservative, Liberal Democrat and Green parties. However, there are also



[Minute Annex – \(amendments agreed as per minute 64\)](#)

independent councillors who do not [represent any](#) political party.

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1.5.4 A great deal of information about the process for standing for election and who is eligible to do so can be found on the Electoral Commission website.

## 1.6 **The Lord Mayor and Sheriff**

1.6.1 [The Lord Mayoralty in York dates back to](#) , at least the thirteenth century. The office of Sheriff is the oldest in England dating back to 1396.

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1.6.2 The Lord Mayor is a councillor formally elected by his or her fellow councillors at the Annual Meeting of the Council. Traditionally this takes place in the ancient Guildhall in mid to late May. To be eligible to be nominated for Lord Mayor a Councillor must, [by tradition](#), have 5 years service. For some years the Council has operated an arrangement whereby points are awarded to political groups based on the number of serving councillors they have at the time of the annual meeting. The group with the most points is given the honour of nominating a councillor to serve as the next Lord Mayor. Having done so they lose 47 points the following year.

1.6.3 The Sheriff is nominated by the Lord Mayor and appointed by Council at the annual meeting. The Sheriff may but need not be a councillor.

1.6.4 In the past these posts exercised significant political power. Nowadays the role of Lord Mayor largely involves acting as *first Citizen* promoting York and representing the City at civic and ceremonial events, although the he or she also chairs the meetings of the full Council. Traditionally the Lord Mayor avoids political activity during his or her term of office and although he or she is entitled to vote on business at Council, the Lord Mayor will often abstain from doing so. [The Lord Mayor does though have the right to exercise a second or casting vote at Council meetings if there is an equal number of votes for or against a proposal.](#)

1.6.5 The Council's Constitution sets out in more detail the Council's expectation of its Lord Mayor and Sheriff.

## 1.7 **Council staff**

[Minute Annex – \(amendments agreed as per minute 64\)](#)

1.7.1 The Council employs paid staff known as “Officers” who deliver services on a day to day basis. The Officer team is headed by the Chief Executive. Officers work for the whole Council but the Officer team is divided into a number of departments or directorates based on related services. Each directorate is headed by a senior Officer known as a Director. The Directors and Chief Executive together form the Council’s Corporate Management Team.

The Council is required to have certain Officers by law.

- The Chief Executive acts as the Head of Paid Service and has responsibility for appointing staff below the level of Assistant Director. In practice, of course, this responsibility is generally delegated to managers.
- The Council’s Director of Customer and Business Support Services is the Chief Finance Officer appointed in accordance with section 151 of the Local Government Act 1972. The postholder has legal responsibilities in respect of ensuring the proper conduct of the Council’s financial affairs.
- One of the Assistant Directors of Customer and Business Support Services is the Monitoring Officer appointed in accordance with the Local Government and Housing Act 1989. The postholder has legal responsibilities in respect of the Council acting lawfully and without maladministration.
- The Council is required to have a Director of Children’s Services, a Director of Adult Social services and a Director of Public Health to lead on their respective functions. These roles do not necessarily have to be performed by different people.
- The Council must also designate one of its officers as the statutory scrutiny officer with the key function of promoting the role of and supporting overview and scrutiny in the authority. This roles is undertaken by the Head of Civic and Democratic Services.

[Minute Annex – \(amendments agreed as per minute 64\)](#)

1.7.2 Various pieces of legislation require action to be taken by the “Proper Officer” of the Council. The Constitution sets out which Officer is the Proper Officer for certain purposes. If no specific Officer has been identified then the Chief Executive has that responsibility.

## **1.8 The Council Leader and the Cabinet**

1.8.1 The full Council appoints one councillor to act as the Council Leader. In York the Leader is appointed for a four year term or until the end of his or her term of office. The term of office may be shorter if the Leader resigns or loses a vote of no confidence. Where one political group has a majority of seats on the Council the leader of that group will normally be appointed as the Council Leader. The Council Leader has very significant powers relating to decision making.

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1.8.2 York operates the system known as “executive decision making” introduced by the Local Government Act 2000. and has a Leader and Cabinet form of executive. One of the key powers of the Leader is to appoint Cabinet Members and to allocate responsibility for executive decision making. The Leader is entitled to establish a Cabinet made up exclusively of him or herself and other members of his or her political group. The Leader must appoint at least two Cabinet Members to serve with him and is entitled to appoint up to nine although York’s Cabinet currently consists of the Leader and six other councillors.

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## **1.9 Executive Decision making**

1.9.1 The law which governs the way decisions are made within the Council is quite complicated. The Local Government Act 2000 says that any function which the Council performs is a function of the Executive unless there is a specific legal provision which says otherwise. In the main those exceptions are set out in a piece of legislation called the Local Authorities (Functions and Responsibilities)(England) Regulations 2000. The exceptions are relatively few so very many of the decisions made by the Council are the responsibility of the Executive and cannot be made by Councillors who are not Cabinet Members.

[Minute Annex – \(amendments agreed as per minute 64\)](#)

1.9.2 Executive decisions may be taken in a variety of ways. Most commonly decisions may be taken by the Cabinet collectively in one of their regular meetings, by the Leader or a Cabinet member individually or by an individual Officer. The Leader, in line with the Local Government Act 2000, has produced a scheme of delegations which allocates decision making powers including portfolios for Cabinet members and this appears in the Constitution.

1.9.3 There are some variations to this – for example there are some Joint Committees with other local authorities which may make executive decisions in accordance with agreements establishing the committee. These are referenced in the Constitution.

1.9.4 When making executive decisions there are other rules which need to be followed. For example the Council has rules which must be followed when entering contracts. These Contract Procedure Rules are set out in the Constitution. Executive decisions also have to be made within the overall budgetary framework approved by Council. The Council's financial regulations include details of how decisions can be made to transfer funds between budgets.

**1.10 Non executive decision making**

1.10.1 The “Functions and Responsibilities” Regulations set out a long list of decisions which [are not](#) “Executive” decisions. However, by and large they fall into a few categories:

- Agreeing the budget and policy framework (which consists of certain key plans and strategies) These plans and strategies are developed by Cabinet but approved by full Council.
- Taking regulatory decisions – such as granting planning permission or certain licenses and making by-laws
- Appointing staff
- Electoral and civic issues

[Minute Annex – \(amendments agreed as per minute 64\)](#)

1.10.2 Like executive decisions, non-executive decisions may be taken in a variety of ways. Most commonly these decisions may be taken by the Council meeting together, by a Committee or Sub Committee of councillors or by an Officer. Non-executive decisions cannot be made by an individual councillor. So, for example, an individual Councillor cannot grant planning permission because granting planning permission is a non-executive function.

**1.11 Allocating responsibility for non-executive decision making**

1.11.1 By and large full Council decides who should have the power to perform these functions and the scheme of delegation in the constitution sets out the allocation of responsibilities which has been agreed.

1.11.2 There are some exceptions to this though. For example the law says that the budget and certain key plans and strategies which make up the policy framework can only be approved by full Council. Similarly, by law, the Head of Paid Service (or Officers he or she authorises) and not councillors are responsible for appointing most staff. Councillors are only involved in the appointment of the Chief Executive, Directors and Assistant Directors.

1.11.3 Section [\*\*\*\*\*] of the Constitution described in more detail where decision making responsibilities lie and includes terms of reference for the various Committees.

1.11.4 The Council has appointed a Health and Well Being Board. The Board is responsible for encouraging providers of health and social care to work together and has certain statutory functions. Although it operates as a form of Committee the Health & Well Being Board is unusual in that some of the membership is set out in law (including, uniquely, certain Officers), the Leader has the power to nominate to some positions and some positions are reserved to postholders who are not councillors.

**1.12 Scrutiny**

1.12.1 The Council appoints a number of scrutiny committees made up of councillors who are not members of the Cabinet. These Committees have the power to review or scrutinise decisions

[Minute Annex – \(amendments agreed as per minute 64\)](#)

taken on behalf of the Council and to make recommendations on matters affecting York residents. In doing so Committees may look at the activities of other organisations working in York and they have specific legal powers to require NHS bodies, the police, fire service and probation to provide information to help their work.

1.12.2 The Committees often appoint task and finish groups to undertake particular pieces of work, gathering evidence on an issue affecting the City and preparing a report for consideration by the Committee. Most of these reports will result in recommendations to Cabinet suggesting steps that could be taken to improve the way the Council does its business and supports local people.

1.12.3 There are some exceptions but normally, where the Cabinet or an individual Cabinet Member has made a decision, any three councillors may “call that decision in” for review. This power also applies in the unusual event of an Officer making a decision which meets the constitutional definition of a “key decision”. A decision which has been called in is referred to a meeting of the Corporate and Scrutiny Management Committee. The reason for the decision and the call in will be explained and debated. The Committee cannot overturn a decision but may refer it back to the decision maker to be reconsidered or refer it to full Council for discussion.

**1.13 Political Proportionality**

1.13.1 Where the Council appoints Committees and makes certain other appointments then generally speaking it must comply with principles of political proportionality. These mean that any political group with a majority on the Council must have a majority on each Committee. Subject to that the allocation of the *total* number of Committee places should be proportionate to the representation on the Council. Finally and subject to the first two principles the allocation of places on each *individual* Committee should also be proportionate. These rules can be waived by Council if no Member objects.

1.13.2 These rules do not apply to the Council’s Cabinet. [It is possible for the Cabinet to](#), be made up of members of only one political group.

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[Minute Annex – \(amendments agreed as per minute 64\)](#)

**1.14 Code of Conduct**

- 1.14.1 The Council has adopted a code of conduct which all councillors must follow. The Council has a Standards Committee which oversees the code and can hear complaints that the Code has been breached. The Committee also deals with complaints in respect of local Parish councillors and, for that reason, the Standards Committee is a joint committee established with Parish Councils.
- 1.14.2 The Council's Monitoring Officer has a key role in administering the process in respect of member complaints and may be contacted for further advice.

**1.15 Transparency and public involvement**

- 1.15.1 The most significant right that residents have to affect the way the Council operates is to exercise their right to vote if registered to do so. There are many other ways though that residents can gain information about how the Council operates and become involved with the work of the Council.
- 1.15.2 Residents are, of course, entitled to contact their local Councillor about any matter of concern to them. Residents can also attend one of the residents forum meetings held in each area [up to](#) four times a year. These are led by the local councillors and supported by groups and other partners who are active in the area.
- 1.15.3 The Council welcomes customer feedback both positive and negative. Any complaints about the Council's services will be consider in accordance with its policy. A resident who is dissatisfied with the Council's response to a complaint is entitled to pursue it with the independent Local Government Ombudsman
- 1.15.4 A great deal of information about the Council is available on its website including information about all Council expenditure, allowances paid to Members and the salaries of the most senior staff. Other information is freely available from the Council on request. In addition the Freedom of Information Act and Data Protection Act give statutory rights

[Minute Annex – \(amendments agreed as per minute 64\)](#)

to information which will usually be provided unless there is a proper reason to refuse the request – such as information being commercially sensitive or containing personal information relating to third parties. Residents also have the right to inspect the Council's accounts and make their views known to the external auditor.

1.15.5 The Council publishes a calendar for a full year of its formal meetings on the Council's website and formal notice of each meeting is displayed at the Council offices. Agendas and reports are usually available to be inspected in advance of the meeting either on the website or at the offices. The exception to this is where a report contains "exempt information" such as the details of the proposed price of land which the Council is considering selling or of legal action which the Council is considering taking against an individual. Key documents (other than published works) relied upon to a material extent in preparing a report will normally be listed in the report. These "background papers" are accessible in the same way as reports.

1.15.6 The Council also publishes a forward plan of matters upon which decisions will be taken by Cabinet or individual Cabinet members. In most cases a matter will have been on the forward plan for at least a month (often longer) before a decision is taken but there are special procedures allowing urgent decisions can be brought forward.

1.15.7 The public are welcome to attend formal meetings of the Council, Cabinet and Committees. Very occasionally it may be necessary to meet in private session because "exempt" business is being discussed. The Council will normally give at least 28 days notice where the Cabinet is likely to be discussing exempt business. As a rule though, even if a report contains exempt information, Councillors will debate it in public if it is possible to do so without disclosing the sensitive information.

Deleted: usually

1.15.8 Most formal meetings includes an agenda item for public participation where members of the public are entitled to speak to councillors on matters relating to their business. There are many other ways that residents can get involved with the work of the Council such as bringing forward a



[Minute Annex – \(amendments agreed as per minute 64\)](#)

petition, giving evidence to a scrutiny committee, responding to public consultations or lobbying their councillor.

- 1.15.9 The Council keeps and makes available to the public copies of agendas, reports and minutes of its meetings. Records of decisions made by Cabinet members and some office decisions are also published on the website. Increasingly the Council is arranging for its meetings to be video or sound recorded and the recordings are available on the Council's website.

This introduction is only a brief summary of how the Council operates. There is much more detail in the Constitution itself. We hope that we have made the Constitution as easy to read as possible but, if you need any further help please do not hesitate to contact us at: [\*\*\*\*]

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**Audit and Governance Committee**16<sup>th</sup> April 2014

Report of the Director of Customer and Business Support

**Audit & Governance Committee Forward Plan to February 2015****Summary**

1. This paper presents the future plan of reports expected to be presented to the Committee during the forthcoming year to February 2015.

**Background**

2. There are to be six fixed meetings of the Committee in a municipal year. To assist members in their work, attached as an Annex is the indicative rolling Forward Plan for meetings to February 2015. This may be subject to change depending on key internal control and governance developments at the time. A rolling Forward Plan of the Committee will be reported at every meeting reflecting any known changes.
3. There have been a number of amendments to the Forward plan since the previous version was presented to this Committee in February 2014, mainly to defer items until later meetings where deemed appropriate.
4. Five reports have been deferred until the next Committee meeting in June. These are the Information Governance Annual Report, Information Governance Progress report incorporating developments on the Freedom of Information (FOI) process, the report on financial regulations, the review of scrutiny arrangements and a progress update on the preparation of a refreshed constitution.
5. The Report on Council Procedure rules has been deferred until July.

### **Consultation**

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

### **Options**

7. Not relevant for the purpose of the report.

### **Analysis**

8. Not relevant for the purpose of the report.

### **Council Plan**

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

### **Implications**

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

### **Risk Management**

11. By not complying with the requirements of this report, the council will fail to have in place adequate scrutiny of its internal control

environment and governance arrangements, and it will also fail to properly comply with legislative and best practice requirements.

### Recommendations

12.

- (a) The Committee's Forward Plan for the period up to February 2015 be noted.

Reason

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

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

Reason

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

### Contact Details

**Author:**

**Chief Officer Responsible for the report:**

Emma Audrain  
Technical Accountant  
Customer & Business  
Support Services  
Telephone: 01904 551170

Ian Floyd  
Director of CBSS  
Telephone: 01904 551100

**Report  
Approved**



**Date** 04/04/2014

### Specialist Implications Officers

Head of Civic, Democratic & Legal Services

**Wards Affected:** Not applicable

**All**

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

**Background Papers:**

None

**Annex**

Audit & Governance Committee Forward Plan to February 2015

## **Audit & Governance Committee Draft Forward Plan to February 2015**

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

- **Committee June 2014 (Date TBC)**

Draft Annual Governance Statement

Annual Report of the Audit & Governance Committee

Mazars Audit Progress report

Financial Regulations

Annual report of the Head of Internal Audit

Audit and Governance Committee Effectiveness – Action Plan Update

Information Governance Annual Report

Information Governance Progress report, incorporating developments around the Freedom of information process

Review of Scrutiny Arrangements

Report on Council Procedure Rules

Preparation of a refreshed constitution – progress update

- **Committee July 2014 (Date TBC)**

Draft Statement of Accounts 2013/134

Mazars Audit Progress report

Scrutiny of the Treasury Management Annual Report 2013/14 and review of Prudential indicators

Key Corporate Risk Monitor Quarter 1 (Including directorate Risks)

*Changes to the Constitution (if any)*

- **Committee September 2014 (Date TBC)**

Final Statement of Accounts 2013/14

Mazars Audit Completion report 2013/14

Key Corporate Risk Monitor Quarter 2 (Including directorate risks)

Follow up of Internal & External Audit Recommendations

Internal Audit & Fraud Plan Progress Report

*Changes to the Constitution (if any)*

- **Committee December 2014 (Date TBC)**

Mazars Annual Audit Letter 2013/14

Mazars Audit Progress Report

Treasury Management mid year review report 14/15 and review of prudential indicators

Key Corporate Risk Monitor Quarter 3 (Including directorate risks)

Internal Audit & Fraud Plan Progress Report

*Changes to the Constitution (if any)*

- **Committee February 2015 (Date TBC)**

Key Corporate Risk Monitor Quarter 4 (Including directorate risks)

Scrutiny of the Treasury Management strategy statement and Prudential indicators

Counter Fraud: Risk Assessment and review of policies

Internal Audit Plan Consultation

*External Audit Reports as appropriate*

*Changes to the Constitution (if any)*





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**Audit & Governance Committee****16 April 2014**

Report of the Director of Customer and Business Support Services

**Key Corporate Risk Monitor Four 2013/14****Summary**

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

**Background**

2. The risk management process at York ensures that all key and emerging risks are reported regularly to the Audit and Governance Committee and on at least a quarterly basis. The purpose of this paper is to provide assurance that the council identifies, understands and effectively manages its key risks. The detailed corporate risk register containing the key high and critical corporate risks is provided to Audit and Governance Committee members alongside this paper at Annex A.

**Current Risk Issues**

3. The current risks have been provided in the usual way, however, the risk register is evolving and as such given that the risks have remained largely unchanged for a significant time, the risk register that will be provided to the next Audit and Governance Committee meeting will be refreshed and more accurately reflect the current risk profile of the council.
4. There are some broad themes emerging which will eventually crystallise and become the key corporate risks under which each of the individual risks will reside. Currently

they are financial, governance, service delivery, major projects and people although before the refresh is complete we may identify others.

5. It is no surprise that risks arising out of the financial position are prominent and common to all directorates. For Adults one risk lies in the increasing demographic demand for the services which means that the outcome of achieving a balanced budget and delivering savings is compromised. In Customer and Business Support Services, there is a risk around the collection of council tax and business rates and the achievement of anticipated trading income as this again will impact on their ability to achieve the objective of delivering budget savings. Clearly, there are significant mitigations in place to manage these risks as far as possible.
6. Information governance has now been identified as a risk to the organisation and is currently ranked in the top 10 risks globally. It is agreed that the risk at York is relatively low given the controls that are in place, however, cyber attacks and crime is becoming increasingly prevalent and should not be discounted altogether as a risk. In addition, as a result of the sheer volume of data that is held by the authority and the ways in which that data is used and shared or disclosed gives rise to risk. The Information Commissioner is willing to penalise councils for failing to comply with data legislation and this is highlighted by numerous fines such as the £95,000 for Leeds City Council and £90,000 for Devon Council among others.

### **Critical Key Corporate Risks**

7. There is now just one critical corporate risk as the risk previously reported regarding safeguarding has now been reviewed and an update has been provided by the risk owner:

#### **KCR0019 Safeguarding**

##### Safeguarding

Successive internal and external scrutiny of local safeguarding services confirm that they are robust and

effectively delivered. The ongoing performance management and quality assurance arrangements for these services has been significantly strengthened. Without any complacency, it is reasonable to adjust the overall rating from Critical to High. Without this adjustment and to retain a static critical rating effectively neutralises the impact of the risk monitoring process. A more dynamic use of the register that is sensitive to changes in performance of the services is more helpful.

8. The current position in relation to the remaining critical risk are as follows:

### **KCR 0022 Financial Pressures**

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

“The requirement to respond to the public sector spending reductions/deal with demographic cost pressures, presents a financial challenge the scale of which the Council has never experienced. Reductions of some £40m from 2011-14 are required, and further savings will be needed in the future. Whilst long term financial planning provides a key control, critical to the organisation being able to manage this risk effectively lies in identifying and achieving the savings identified in service reviews and through making difficult choices in the way services are delivered. Achievement of the savings will also require both a full commitment across the organisation and a robust approach to the ongoing monitoring of the savings programme.”

### **Ongoing Risk Management work**

9. Risk identification workshops have now been held with the Adult Services Directorate Management Team, Customer and Business Support Services Directorate Management Team and Children’s Services Directorate Management Team.
10. The workshop for Public Health is booked in for the 13<sup>th</sup> May and we are awaiting confirmation when we are able to attend the City and Environment Services and Communities and Neighbourhoods Directorate Management Team which we have agreed will be a joint risk identification session. We are

also awaiting confirmation from the Transformation Programme as to their availability.

11. The workshops have been facilitated by Zurich and have taken a blank sheet of paper approach to ensure that the risks identified are current and importantly, correctly articulated, really getting to the root of the risk.
12. The next step is to organise the corporate risk training for both members and officers and a combined training event for both groups, to this end, the contact at Zurich has provided some dates. We have had an in depth discussion around the training requirement and have agreed that the sessions should be interactive rather than power point driven, with very little theory, the emphasis being on the “doing” of risk management and how it can benefit the service as we believe it is by selling the benefits that we will win hearts and minds.
13. In association with this work on the strategic risks, we are also having meetings with Heads of Service to look at operational risk and how that might be captured within the corporate risk register. This also provides them with a formal route to escalate the risk to Directorate Management Team level should they feel that it merits such consideration. It is certainly the authors belief that in order to ensure that risk is effectively embedded throughout the organisation, risk information should be available to, and utilised by the services in their day to day operations.

### **Directorate Risk Reports**

14. There are no Directorate Risk reports for inclusion in this risk monitor. The report from Communities and Neighbourhoods and City and Environmental Services will be included in Monitor one 2014/15 and will reflect the updated risk register in these areas.
15. The timetable for risk reports from the other council directorates is set out below:

Audit & Governance

Committee Date

Directorate

30 July 2014

Communities and  
Neighbourhoods  
City & Environment Services

24 September 2014

Adults, Children & Education

10 December 2014

Office of the Chief Executive

11 February 2015

Customer & Business Support  
Services

**Options**

16. Not applicable.

**Council Plan 2011 - 2015**

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

**Implications**

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

**Risk Management**

- 18. 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**

- 18. Members are asked to:
  - (a) Consider and comment on the issues set out in this paper.

Reason

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

**Contact Details  
Author:**

Lisa Nyhan  
Corporate Transactional  
and Business Services  
Manager  
Phone No. 01904 552953

**Chief Officer Responsible for the  
report:**

Ian Floyd  
Director Customer and Business  
Support Services

**Report**                    ✓                    **Date** 7 April 2014  
**Approved**

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

**Wards Affected** Not applicable

**All**

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

**Annexes**

Annex A – High and critical risks linked to Key Corporate Risks

## KCR 0010 Emergency Planning & Business Continuity

Corporate Lead Sally Burns & Steve Waddington

*Business Continuity: The Council has a statutory duty to have plans in place to ensure the delivery of its critical services continues throughout any disruption to itself or the community.*

*Emergency Planning: The Council, as a Category 1 responder to critical incidents, has a duty to maintain both generic and specific plans to respond to the major risks facing its community.*

### City & Environmental Services

#### Inability to respond to and assist in the recovery of city of York after a major incident

Risk Owner: Steve Waddington

Risk Ref: 1718

High

18

Cause Under the Civil Contingencies Act, as a local authority, it is the role of City of York Council to support the emergency services in the case of a major emergency and to provide aid and assistance and advice to the general public.

Consequence Emergency services may not be completely supported which could hinder the promptness of their response, the speed of recovery of the city, and vulnerable people within the city may be put at risk.

#### Controls

Emergency Plans for the city  
Emergency manuals  
Exercising of the plans  
Officers on-call  
Plans and manuals reviewed and updated at least annually  
CYC Emergency Handbook  
Engagement with regional partners via local resilience forum

#### Owner

Steve Waddington  
Steve Waddington  
Steve Waddington  
Steve Waddington  
Steve Waddington  
Jim Breen  
Steve Waddington

#### Inability to continue to deliver services following a business disruption event

Risk Owner: Steve Waddington

Risk Ref: 0623

High

16

Cause If group and directorate plans are not developed, adopted and embedded at both levels this could result in an inability to continue to deliver services following a business disruption event. the result could be further risk to customers and the community and resultant criticism.

Consequence Reputational and potentially litigation and breach of statutory duty leading to censure of Council.

#### Controls

BC working group  
Progress reports to CMT  
Timetable for driving forward BC in the Council  
A BC Lead for every Directorate and Department has been put in place

#### Owner

Jim Breen  
Jim Breen  
Jim Breen  
Jim Breen

### Adults, Children & Education

**Failure to deliver essential services in an emergency**

Risk Owner: Jon Stonehouse

**Risk Ref: 0612**

**High**

**18**

Cause *Lack of Business Continuity Plans*

Consequence

*Within ACE this is particularly important because of the statutory responsibilities to protect vulnerable people and prevent homelessness.*

*The Council has a duty to ensure the continuity of its services to residents and customers. Business Continuity Plans should act as mitigating controls capable of reducing the impact of specific risks such as fire, flood or loss of staff. The lack of these plans reduces the Council's ability to respond and increases the level of exposure to associated reputational damage.*

**Controls**

BIA's completed in all key sites.  
Flu Plan developed and tested  
BCP for each service division

**Owner**

Graham Terry  
Kathy Clark  
Kathy Clark

**Inability to deliver services**

Risk Owner: Jon Stonehouse

**Risk Ref: 0966**

**High**

**18**

Cause *Key risk is potential loss of school through fire or asbestos.*

Consequence

*Short term loss of service whilst temporary provision is made on the site or students redirected to other schools.*

**Controls**

DMT emergency response

**Owner**

Jon Stonehouse



**KCR 0015 Fairness & Inclusion**

Corporate Lead Sally Burns

*The refreshed corporate Fairness and Inclusion Strategy and Single Equality Scheme were approved by the Executive in December 2009. This updates the council's fairness and inclusion commitment and action. It also ensures that we meet current statutory duties arising from equality legislation and provides the framework for the development of fair and inclusive service delivery and employment practice in the council.*

**Customer & Business Support Services****Customers & People****Vulnerable people cannot access our services and employment opportunities**

Risk Owner: Pauline Stuchfield

**Risk Ref: 1797****High****20**

Cause *Lack of understanding of the needs of vulnerable people and the barriers they face when they try to access our services and employment opportunities.*

Consequence *Vulnerable customers are excluded from council services and employment opportunities we provide. We can face legal challenges.*

**Controls**

CBSS directorate Single Equality Scheme  
Complete Equality Impact Assessments (EIAs)

**Owner**

Pauline Stuchfield  
Pauline Stuchfield

**Communities & Neighbourhoods****Councillor's vision and expectations of a fair inclusive and customer-focused organisation will not be realised**

Risk Owner: Sally Burns

**Risk Ref: 1796****High****20**

Cause *The action plan in the corporate Single Equality Scheme is not implemented because of lack of prioritisation, adequate resources and understanding of the issues.*

Consequence *Customers receive poor quality, unfair and, possibly, discriminatory, services and staff satisfaction declines due to poor quality employment practices. The council's reputation as a service deliverer and employer declines. We do not meet recognised standards of excellence in services and employment.*

**Controls**

Corporate Fairness and Inclusion Strategy and Single Equality Scheme  
Directorate Single Equality Schemes  
Equality Framework for Local Government self-assessment and peer assessment  
Provide ongoing staff & member training in equality and human rights  
Ensure officers understand and follow the corporate equality system and standards  
Implementation of directorate equality schemes and monitoring by Directorate Management Teams  
Equality Impact Assessments (EIAs) are undertaken and monitored

**Owner**

Mary Bailey  
Directorate Management Teams  
Mary Bailey  
Mary Bailey  
Mary Bailey  
Mary Bailey

**We do not provide fair and inclusive customer-focused services**

Risk Owner: Sally Burns

**Risk Ref: 1798**

High

20

Cause *Lack of understanding of the needs of vulnerable customers resulting in lack of remedial action to meet their needs.*

Consequence *Vulnerable customers are excluded from services we provide. Our reputation as a quality service provider is reduced. We can face legal challenges.*

**Controls**

Directorate Single Equality Schemes

Equality Impact Assessments (EIAs) are undertaken and monitored

**Owner**

Directorate Management

Teams

Mary Bailey

**Vulnerable staff are bullied, harassed and feel excluded**

Risk Owner: Ian Floyd

**Risk Ref: 1799**

High

20

Cause *Lack of understanding of the needs of vulnerable staff resulting in lack of remedial action to meet their needs.*

Consequence *Staff survey results are poor. Vulnerable staff's health is affected negatively or/and they leave. Our reputation as a good employer is reduced. We can face legal challenges.*

**Controls**

Workforce Plan

Monitoring through service planning and PDRs

**Owner**

Pauline Stuchfield

Pauline Stuchfield

**KCR 0016 Capital Programme**

Corporate Lead Ian Floyd & Tracey Carter

*The Capital Programme delivers a number of capital schemes that directly contribute to the achievement of the Corporate Strategy. All capital schemes are included into the Capital Programme via the annual capital budget process which allocates resources to the projects that facilitate with service delivery and contribute toward the Corporate Strategy. Currently the Capital Programme contains 85 projects over a 5 year period with a budget of over £206m.*

**City & Environmental Services**

**Community Stadium**

**Financial contribution from tenant clubs**

Risk Owner: Tim Atkins

**Risk Ref: 1964**

**High**

**19**

Cause Sign off of match day agreements to be legally binding

Consequence

Achievement of the affordability target would remain a threat until these are legally binding.

**Controls**

- Agree terms with both clubs so bidders have certainty of base line rental positions
- Ensure rental agreements are affordable for both Clubs
- Structure agreements to have realistic upside mechanisms

**Owner**

- Tim Atkins
- Tim Atkins
- Tim Atkins

**Actions**

- Project Team in advanced discussions regarding detailed Match-day agreements for stadium occupation
- Bidders to agree terms of MDA as part of procurement
- Uplift mechanism to be agreed for both clubs.

**Target Date**

**Revised Date**

**KCR 0018 Impact of an Ageing Population**

Corporate Lead Paul Edmondson-Jones

*This is a long term piece of work which has been initiated by a scoping report to CMT in relation to the impact on the council of the current demographic. The key issues, impacts and risks will need to be managed by the council as a whole in the coming years.*

**Adults, Children & Education****Increasing social care support costs**

Risk Owner: Graham Terry

**Risk Ref: 1715****High****20**

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

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

**Controls**

Additional central government funding in 2011-12 to come via PCT  
Decision to procure a double capacity Re-ablement service.  
Review of EPH's  
White Paper produced in July 2012  
Whole System approach at Health & Wellbeing Board  
Strong engagement with Clinical Commissioning Group  
North Yorkshire and York Review supporting whole system funding realignment toward community based support.

**Owner**

Graham Terry  
Graham Terry  
Graham Terry  
Graham Terry  
Graham Terry  
Graham Terry

**Actions**

Older Peoples Accommodation review

**Target Date**

30/06/2011

**Revised Date**

30/04/2014

**Inability to understand and respond to the demands of an Ageing Population**

Risk Owner: Graham Terry

**Risk Ref: 1714****High****18**

Cause *The Ageing Population Review has been completed and actions are being embedded in Directorates. If Directorates and Corporately we fail to give these actions the necessary priority and do not continue to respond to the changing needs of older people this will become a risk.*

Consequence *We must continue to build on our understanding of our response required to meet the demands of an ageing population. If we do not, this could lead to reputational damage and older people becoming disengaged with the council and broader social issues.*

**Controls**

Ageing well studies – Certificated course completed, evaluation tbc by organisers  
Partnership working underway to establish York as a dementia friendly city

**Owner**

Graham Terry  
Graham Terry

**KCR 0019 Safeguarding**

Corporate Lead Jon Stonehouse

*Ensuring that our children and young people in the city are safe and protected has to be a key priority for any authority. This involves not simply ensuring effective interventions into family life but the creation of protective arenas of safety, which, for example, include safe recruitment practice. The individual, organisational and reputational implications of ineffective safeguarding practice are acute.*

**Adults, Children & Education****Serious injury or death occurs where there is or should have been some safeguarding involvement**

Risk Owner: Eoin Rush

**Risk Ref: 1707****High****19**

Cause Evidence that multi agency procedures were not properly implemented

Consequence

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

**Controls**

Rigorous monitoring of referral arrangements  
 Implementation of comprehensive safeguarding children training programme  
 CYSCB Serious Cases group independently chaired with a greater focus on dissemination of lessons learned  
 Routine multi-agency case file auditing process initiated  
 Inspection Feedback - Monitoring group established

**Owner**

Eoin Rush  
 Eoin Rush  
 Eoin Rush  
 Eoin Rush  
 Eoin Rush

**KCR 0022 Financial Pressures**

Corporate Lead Ian Floyd

*Reductions of approximately 25% in government department budgets are expected over the next 4 years. The council needs a structured and strategic approach to deliver savings in order to ensure that any change to service provision is aligned to the council's key priorities.*

**Customer & Business Support Services****Requirement to reduce revenue budgets by approximately 28% and a 45% reduction in capital funding over the next 4 years**

Risk Owner: Ian Floyd

**Risk Ref: 1806****Critical****23**

Cause *Reductions of approximately 28% in local government revenue funding and 45% capital funding to 2014/15 as announced in the CSR.*

Consequence *The council may have to reduce or stop service provision for non statutory services or increase eligibility criteria for statutory services*

**Controls**

Long term financial planning to identify funding gaps  
Promote a challenge system amongst officers to identify savings or areas for review  
Structured approach to identification of saving  
Effective process to monitor progress of the savings programme.

**Owner**

Ian Floyd  
Ian Floyd  
Ian Floyd  
Ian Floyd

**Savings identified beyond 2011/12 are not achieved**

Risk Owner: Ian Floyd

**Risk Ref: 1812****High****19**

Cause *Some service specific savings proposals may be politically sensitive and alternative savings may need to be identified or the savings may not be achieved.*

Consequence *This could result in an additional untargeted blanket % cut across all services if not properly planned, resulting in as service provision which is not aligned to corporate priorities*

**Controls**

Regular communication and consultation  
Identify potential savings in excess of current target  
Structured and planned approach to budget planning

**Owner**

Ian Floyd  
Ian Floyd  
Ian Floyd

**City & Environmental Services****Transport, Highways & Waste**

**Reduced levels of economic development due to less investment of national & regional transport infrastructure**

Risk Owner: Frances Adams

**Risk Ref: 1720****High****19**

Cause *The financial impact of the economic downturn will almost certainly result in a reduction in investment in regional and national air services, rail network and long distance buses.*

Consequence *This could mean that there is less investment available for supporting infrastructure affecting the future economic prosperity of the city.*

**Controls**

Lobbying for sustainable levels of investment and funding  
Review policy setting  
Intelligent Travel York funded through DfT  
Bid for further funding

**Owner**

Frances Adams  
Frances Adams  
Frances Adams  
Frances Adams

**Actions**

Regularly review current status of several initiatives

**Target Date**

25/10/2011

**Revised Date**

25/10/2015

**Adults, Children & Education****Inability to deliver the financial strategy and make savings within ACE**

Risk Owner: Jon Stonehouse

**Risk Ref: 1867****High****19**

Cause *The scale of the delivery challenge is unparalleled and will stretch leadership, project management and support service capacity. Another factor affecting this risk is how it is subject to secondary political decision-making due to targets having been agreed in advance of identifying the final and full delivery methods.*

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

**Controls**

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

**Owner**

Jon Stonehouse  
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**Audit and Governance Committee**16<sup>th</sup> April 2014

Report of the Director of Customer &amp; Business Support Services

**Update on Changes to Transparency Requirements****Summary**

- 1 The purpose of this report is to provide members of the Audit and Governance Committee with an update following the recent government response to a consultation by the Department for Communities and Local Government on the Code of Recommended practice on Data Transparency in Local Government.
- 2 This report sets out the key changes in terms of additional information that is recommended to be published, and the action the Council is taking to comply with this.

**Background**

- 3 In January 2011, the Council began to publish data on spend and salaries in order to meet the requirements of the Department of Communities and Local Government (DCLG) as part of its efforts to improve local transparency and accountability across Whitehall and local government.
- 4 When the Code was initially published, ministers committed to reviewing its content and scope within 18 months. Between 25th October and 20th December 2012, the Department for Communities and Local Government ran a consultation on updating the Code, and making it mandatory through regulations.

**Consultation**

- 5 The Government Response to Consultation document at Appendix A sets out the details of the additional information to be published under the revised Transparency code, along with comments from various bodies following the completion of the

consultation exercise. There has been no indication as to a formal date these additional publications will become a legal requirement.

- 6 The government is proposing to regulate to require all local authorities to provide:
  - (a) Spending transactions over £500 on a quarterly basis
  - (b) Information on a quarterly basis on opportunities to provide goods and services to the local authority worth over £5,000, and key details on contracts awarded and the outcome of procurement activity worth over £5,000
  - (c) Basic information about a local authority's land and assets on an annual basis, including reference number, address and location.
  - (d) Grants to voluntary, community and social enterprise organisations should be published on an annual basis whether by tagging data on spending items above £500 or contract information, or by publishing a separate list or register.
  - (e) An organisational chart showing the top three levels of the organisation on an annual basis
  - (f) How much time is being spent on trade union activities and what proportion of the total pay bill this represents on an annual basis
  - (g) Expenditure on Government Procurement Cards on a quarterly basis
  - (h) Job responsibilities for those whose salaries exceed £50k on an annual basis
  - (i) The number of controlled off and on street parking spaces on an annual basis
  - (j) Parking revenues from on-street and off-street parking and penalty notices on an annual basis
  - (k) Constitution on an annual basis
  - (l) The ratio between the highest paid salary and the median average salary of the whole of the authority's workforce (pay multiple) on an annual basis
- 7 Responses to the consultation document highlighted the concerns of many local authorities on potential resource

implications of producing and maintaining the additional information.

### **Response**

- 8 The Council already publishes many of the suggested categories of transparency information on its website, and is currently reviewing the way this is presented to ensure both existing and new information is easy to find and accessible.
- 9 In response to the consultation document, the Council is in the process of preparing an action plan to begin the additional work required to ensure it is in a position to publish the additional information required by the revised code at the earliest point possible, ahead of it becoming a legal requirement.

### **Consultation**

- 10 Not relevant for the purposes of this report

### **Options**

- 11 Not relevant for the purpose of the report.

### **Analysis**

- 12 Not relevant for the purpose of the report.

### **Corporate Priorities**

- 13 This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything it does and the corporate objective of making the Council an effective organisation.

### **Implications**

- 14 The implications are;
  - (a) **Financial** – There are no specific financial implications
  - (b) **Human Resources (HR)** – there are implications in terms of significant staff resource required to prepare the information recommended by the paper in the appropriate format

- (c) **Equalities** - there are no specific equalities implications to this report.
- (d) **Legal** – it has been suggested the Government will make publication of the additional transparency information a legal requirement
- (e) **Crime and Disorder** – there are no crime and disorder implications to this report.
- (f) **Information Technology (IT)** - there are no IT implications to this report.
- (g) **Property** - there are no property implications to this report.

### **Risk Management Assessment**

- 15 There are risks involved if the Council does not take steps towards publishing the additional Transparency information recommended in the consultation now, leaving the council unprepared if they become a legal requirement at a later date.

### **Recommendation**

- 16 Members are asked to note the additional Transparency information set out in the Consultation document on the Code of Recommended Practice on Data Transparency in Local Government and the actions the Council is taking to ensure this information is published ahead of it becoming a legal requirement.

#### *Reason*

*To provide assurance to members that the Council has a clear action plan in place to ensure it meets the additional Transparency requirements ahead of them becoming a legal requirement.*

## Contact Details

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Ian Floyd  
Director of Customer & Business  
Support Services  
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**Report  
Approved**



**Date** 4 April  
2014

## Specialist Implications Officers

Not applicable

**Wards Affected:** Not applicable

**All**



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

## Background Papers

*None*

## Annexes

- Code of recommended Practice for Local Authorities on Data Transparency – *Government Response to consultation*

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Department for  
Communities and  
Local Government

# Code of Recommended Practice for Local Authorities on Data Transparency

Government Response to Consultation

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# Introduction

1. *The Code of Recommended Practice for Local Authorities on Data Transparency* (“the Code”) was published in September 2011. The Code is issued under section 2 of the Local Government, Planning and Land Act 1980 (“the Act”) and sets out key principles for local authorities in creating greater transparency through the publication of public data. The Code includes three principles for release of public data: demand-led, open and timely.
2. The Code was issued to meet the government’s desire to place more power into citizens’ hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society. Availability of data can also open new markets for local business, the voluntary and community sectors, and social enterprises to run services or manage public assets.
3. The government believes, therefore, that in principle all data held and managed by local authorities should be made available to local people unless there are specific sensitivities (eg. protecting vulnerable people or commercial and operational considerations) to doing so. It encourages local authorities to see data as a valuable resource not only to themselves, but also their partners and local people, and so it hopes they will go further in publishing the data they hold than the minimum standards set out in this document.

## Details of the consultation

4. When the Code was published, ministers committed to reviewing its content and scope within 18 months. Between 25<sup>th</sup> October and 20<sup>th</sup> December 2012, the Department for Communities and Local Government ran a consultation on updating the Code, and making it mandatory through regulations. The consultation document:
  - Set out the government’s proposal to make regulations requiring local authorities to publish information of the description, in the manner and form, and at the times specified in the revised Code
  - Sought views on amendments or additions to the Code. In particular, amendments and additions to paragraphs 10 and 11 on data inventories to aid compliance and data streams that could be added to aid transparency and help greater access to contract information for services that are contracted-out
  - Sought views on data to add to paragraph 12 of the Code to support small and medium-sized enterprises and local businesses, and release of surplus local authority land and property. In particular, the government sought views on four new datasets:
    - trade union facility time

- parking charges
- addition of “and any other payments made to councillors from the public purse” to councillor allowances and expenses and
- spending via corporate charge cards, credit cards or procurement cards should be identified as payments to the underlying supplier, not spending on the card company itself.

5. We received views from 219 respondents:

- Town or parish council – 58
- District council – 36
- County council – 14
- Unitary council – 24
- London borough council – 12
- Fire and rescue authority – 11
- Individual – 8
- Voluntary and community sector – 6
- Business – 3
- National park – 2
- Others – 45.

We would like to thank all those who responded to the consultation.

## Revising the Code

6. This government response to the consultation briefly summarises the consultation responses we received on each question and sets out the policy we have decided upon. Policy has been informed by analysis of the consultation responses, follow-up conversations with a sample of local authorities who responded and relevant experts.
7. The government is minded to issue the revised Code shown at Annex A. The revised Code puts into practice the policy set out in this document. The Secretary of State wants to ensure that key information in the revised Code is published by all local authorities and that authorities do so in a timely manner. Therefore, he is minded to make regulations under section 3 of the Act to make it a legal requirement to publish data in accordance with Part 2 of the revised Code and to make an Order under that section to ensure certain datasets must be published quarterly.
8. We want to ensure that the revised Code properly gives effect to the policy set out in this document and that the obligations, definitions and timings contained in it are clear and understood by those to whom the revised Code applies. We would, therefore, welcome feedback and points of clarification on the revised Code at Annex A from any organisation affected by the revised Code. We would also welcome views from the public, open data experts, developers, citizen activists and other interested parties.

9. Your feedback and points of clarification should be sent by 17 January 2014 and must be sent by email to: [transparencycode@communities.gsi.gov.uk](mailto:transparencycode@communities.gsi.gov.uk), or in writing to:

Vicky Cook-Goge  
Local Government Transparency Team  
The Department for Communities and Local Government  
Zone 3/J6  
Eland House  
Bressenden Place  
London SW1E 5DU

## Confidentiality and data protection

10. Any information you provide including personal information, may be published, or disclosed in accordance with the access to information regimes. (These are primarily the Freedom of Information Act 2000, the Data Protection Act 1988 and the Environmental Information Regulations 2004).
11. If you want any information you provide to be treated as confidential, you should be aware that under the Freedom of Information Act 2000, there is a statutory Code of Practice with which public authorities must comply, and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential.
12. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give any assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.
13. The department will process your personal data in accordance with the Data Protection Act 1988 and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

# Responses to consultation and government response

**Consultation Question 1: What amendments or additions could be made to paragraphs 10 and 11 of the Code to aid compliance? (This question relates to the recommendation in the Code to publish inventories of public data).**

14. Paragraphs 10 and 11 of the Code refer to the building and maintaining of an inventory of the public data that authorities hold, stating that they should be registered on [www.data.gov.uk](http://www.data.gov.uk). An inventory helps citizens understand what data is available, thereby helping them to locate it. We asked in the consultation whether the Code needed to be clarified to aid compliance.
15. There were 102 responses to this question:
- 46 from principal councils
  - 16 from town and parish councils
  - 10 from fire and rescue authorities and their representative bodies and
  - The remainder from a mixture of representative organisations, public sector bodies, individuals, business and the voluntary sector.
16. The views expressed by respondents included:
- 34 respondents expressed concern about the significant impact on their staffing and financial resources if they were required to produce and maintain a full inventory of all the datasets they held
  - 10 respondents felt that burdens without financial support should be minimised and asked whether (financial) support would be available from central government to aid compliance where staff resources and capability and IT technical infrastructure was lacking
  - There were 22 respondents who suggested that the Code should provide clear guidance on inventory design and structure to ensure consistency with an example of a standard inventory
  - Many suggested that the Code should provide clear guidance on inventory design and structure including a definition of datasets to ensure consistency with an example of a standard inventory
  - 29 respondents questioned the value of publishing an inventory alongside the existing statutory Information Commissioner's Office Publication Scheme - it would be more appropriate to align and integrate the proposed data inventory with the Publication Scheme in order to avoid duplication of work and conflicting guidance on publishing and releasing data.
17. A few respondents suggested having a standard set of public data that should be published, which could start with the datasets that local authorities have to submit to

central government (ie those on the Single Data List<sup>1</sup>) and one suggesting that the inventory should be limited to the list of requirements in the Code. Seven respondents felt that the inventory needed to be balanced with demand led principles. It was suggested that the inventory should be consulted on annually and extended progressively over time.

18. There were 14 responses noting difficulty or unfamiliarity with the government's searchable portal for public data: [www.data.gov.uk](http://www.data.gov.uk), and said that they would welcome further guidance and support.

**Government response:**

19. It is important for the public sector to publicise the information and data that it holds. Inventories would help local authorities to better manage their information assets and Freedom of Information Act requests, and improve accountability. This is particularly the case as open data has the potential to promote social and economic growth.
20. We note respondents' concerns on possible financial and resource implications of producing and maintaining a full inventory list for each local authority. It is not the government's intention to impose unnecessary financial and resource burdens on local authorities. The government has reduced and continues to reduce unnecessary bureaucratic burdens on local government while strengthening local accountability measures such as transparency.
21. We also note that many respondents underlined the good practice already taking place in local authorities under their existing obligations to maintain a Publication Scheme under the Freedom of Information Act.
22. Therefore, we are not minded to mandate the publication of inventories through the Transparency Code, but we will work with the Local Government Association and Information Commissioner's Office on how inventories could be aligned with the Publication Scheme and to develop guidance on this.
23. The government set up the [www.data.gov.uk](http://www.data.gov.uk) portal because it considers that in addition to locally-held information, there is value, for developers and the wider public, in maintaining a national data repository where public data can be accessed. Our aim is to promote innovation through encouraging the use and free re-use of government and local datasets and provide the tools and applications to support their use. We are looking at options to improve the customer journey. The government's response to the Shakespeare Review outlined the value of data inventories for data sets produced by government departments. Similarly, inventories could help local authorities to better manage their information assets to overcome the uncertainties around what data is available, to manage their Freedom of Information requests and to improve their accountability. The government's aim is to work with the sector to help and support authorities to do this, including working on a new "local" area on [www.data.gov.uk](http://www.data.gov.uk).

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<sup>1</sup> <https://www.gov.uk/government/policies/making-local-councils-more-transparent-and-accountable-to-local-people/supporting-pages/single-data-list>

24. The government sees the Transparency Code and the Single Data List as fulfilling different functions. The Single Data List is a catalogue of all the data that local authorities are required to submit to central government. The Code covers information held by the local authority which constitutes key information for local people to hold it to account and to use in working with the local authority in transforming services – it is not necessarily information which is submitted to central government, though it would include such information.

**Consultation Question 2: What data streams could be added to the Code to aid transparency where services are contracted-out and help greater access to contract information?**

25. The Code currently lists “copies of contracts and tenders to businesses and the voluntary, community and social enterprise sector” as one of the minimum datasets councils should provide. The consultation document proposed clarifying this to specify contracts and tenders “of £500 and over”, suggested that greater transparency could be gained by including the specification of services when they are contracted out, and proposed greater use of *Contracts Finder*. Greater transparency of contracts and tenders increases the opportunities for businesses to bid, and promotes efficiency.

26. There were 107 responses to this question:

- 55 from principal councils
- 16 from town and parish councils
- Six from fire and rescue authorities and their representative bodies and
- The remainder from a mixture of representative organisations, public sector bodies, individuals, business and the voluntary sector.

27. The views expressed by respondents included:

- 26 of these expressed concern about commercial confidentiality and sensitivity when considering the publication of all tenders submitted and awarded contracts. Many felt that this could deter local businesses from bidding for local authority contracts
- Some thought that publication of the winning contract would benefit a winning supplier’s competitors and put it at a disadvantage when bidding for future work. Furthermore, respondents also felt that it could also adversely affect the market place and have a negative impact on future negotiations and the price of future contracts
- 22 respondents expressed concern over the additional burden of redacting sensitive information contained in contracts and tenders prior to publication
- 22 respondents considered the threshold of publishing all contracts above £500 to be too low and proposed alternative figures, the lowest of which was £5,000. Various other alternatives were put forward including the suggestion that the threshold should be set by local authority type or follow existing Local Government Association guidance which acknowledges that local authorities have different financial thresholds for issuing contracts.

28. A small number of local authorities that already use local or regional portals questioned the need for them to register their contracts on the national Contracts Finder portal (although some saw the benefit for larger firms but little or none for smaller firms). A few were of the view that transparency could be achieved by publishing the information through responses to Freedom of Information requests.
29. We also received several suggestions including that the geographical and demographic coverage of contracts should be published that authorities should have the rights to the data created as a result of a service being contracted out and that there could be advantages in publishing performance data against contractual key performance indicators. There was also some confusion about whether the intention was that all tenders submitted should be published, or just the winning bidder.

### **Government response:**

30. The government believes that greater transparency of contracts and procurement activity will enhance democratic accountability and help open up markets to a wider range of businesses, including small and medium-sized enterprises. This will help improve the quality and value of public services. These principles are in tune with Lord Young's report which called for a "single market", a simple and consistent approach to procurement across all public sector agencies, where small and medium-sized enterprises can gain better and more direct access to contract opportunities<sup>2</sup>. The government is not convinced that openness on contracts breaches commercial confidentiality and will deter bids for public sector work: we have seen no evidence that organisations which do publish contract information suffer from a lack of willing suppliers.
31. We have considered carefully the various alternative suggestions put forward by respondents, and intend to amend the Code to require all local authorities to publish, as a minimum:
- (a) details of invitations to tender for contracts to provide goods and services, valued over £5,000, on a quarterly basis (see paragraph 22 of the revised Code at Annex A) and,
  - (b) details of all contracts over the value of £5,000 on a quarterly basis, including for example purchase orders, framework agreements and legally enforceable agreements (see paragraph 23 of the revised Code at Annex A).

This information may be published on a contracts register, or the requirements may be met by publication of documents (eg. contracts, purchase orders, contract summaries or contract award letters) that include all the information listed in the revised Code. The government intends that local authorities will be required to publish and update this on a quarterly basis. Individuals or businesses who saw this information and wanted further details on a contract would then be able to submit a Freedom of Information request, at which point the public authority would need to decide whether any redaction

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<sup>2</sup> [https://www.gov.uk/Government/uploads/system/uploads/attachment\\_data/file/197726/bis-13-729-growing-your-business-a-report-on-growing-micro-businesses.pdf](https://www.gov.uk/Government/uploads/system/uploads/attachment_data/file/197726/bis-13-729-growing-your-business-a-report-on-growing-micro-businesses.pdf)



was necessary. We understand from the Information Commissioner's Office that commercial confidentiality is only very rarely a relevant reason for redaction.

32. The government would encourage local authorities to go further than this minimum requirement by publishing information on contracts and similar agreements that have a value over £500 (see paragraphs 44 and 45 of the revised Code at Annex A). It is also recommended that local authorities should use the Contracts Finder portal to list all opportunities to bid or tender exercises with a value over £10,000, and update Contracts Finder to provide details of the outcome and awarded contract. The need for this has already been communicated in Lord Young's recommendation that all contracts over £10,000 should be included on Contracts Finder.
33. As further examples of best practice, consultation responses also suggested that authorities should:
- Publish the geographical and demographic coverage of contracts
  - Consider carefully the drafting of contracts to ensure they have the rights to the data created as a result of a service being contracted out, if it is needed
  - Publish a list of contracts expected to be let over the following year and,
  - Consider the advantages in publishing performance data against contractual key performance indicators.
34. We note also that some respondents were unsure of our intention on tenders: our intention is that the invitation to tender should be published, with details of contracts awarded to the winning bidder published later, as per paragraph 31 above.

**Consultation Question 3: Are there other data sets which would be useful to the public which could be added to paragraph 12 of the Code? In particular, is there any data that would:**

- **Support small and medium -sized enterprises and local businesses and,**
- **Support the release of surplus local authority land and property?**

35. The Code currently lists ten data sets as the minimum that local authorities should release. We asked whether any other datasets should be added, particularly data that would support businesses and the release of surplus local authority land and property. We also suggested that four new datasets should be added to the Code:
- Trade union facility time – authorities should publish the amount spent on providing support and facilities to trade unions within their workforces and specify which unions
  - Parking charges – authorities should publish:
    - Revenue from off-street parking charges
    - Revenues from on-street parking charges
    - The number of on-street parking places
    - The number of off-street parking places
    - The revenue from parking fines and,

- The number of free parking spaces available (in line with The Portas Review<sup>3</sup>)
- Councillor allowances and expenses – extend this to include “and any other payments made to councillors from the public purse” and
- Corporate charge cards, credit cards or procurement cards – spending on goods and services made via these types of cards should be identified as payments to the underlying merchant/ supplier, not spending on the card company itself.

36. We received 131 responses on this question:

- 53 from principal councils
- 25 from town and parish councils
- Nine from fire and rescue authorities and their representative bodies and,
- The remainder from representative organisations, public sector bodies, the voluntary sector, businesses and individuals.

37. The views expressed by respondents included:

- 18 respondents deemed additional data sets to be unnecessary as providing them would put an increased burden on local authorities
- Others suggested a range of new datasets that should be released, including:
  - More descriptive information around spending data and disaggregating it by equality group
  - Public rights of way
  - Local demographic data
  - Information about non-domestic rates
  - Parking control notices issued each month
  - Conflicts of interest relating to contracts:
  - Licences issued and refused
  - Car and bicycle parking spaces
  - Changes to street names and boundaries
  - Information about bus stops and their accessibility features
  - Empty buildings
  - Bye-laws and,
  - Electric car charging points.

38. Eight respondents requested clarification on the proposed additional information on trade union facility time, differentiating between facility time granted formally to union representatives and “reasonable time off” granted at a manager’s discretion – the former being simpler to publish, the latter being more challenging to record and collate.

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<sup>3</sup> <https://www.gov.uk/government/publications/the-future-of-high-streets-progress-since-the-portas-review>

39. There were also seven requests for clarification about parking information – covering which tier of councils had responsibility for which elements of parking, and some practical issues such as the absence of information on the number of parking spaces in car parks which are not marked out into spaces or where parking is possible along streets, but not marked out. Five councils pointed out that they already publish some information on parking.
40. While many respondents saw no problem with complying with publishing the information on councillor allowances and expenses, three respondents thought it should be made clear that local authorities were only responsible for publishing payments made by them – not for payments from other public bodies (eg. if a councillor was also on the board of another public body).
41. Seven local authorities said that they were already publishing underlying spend on corporate charge cards. A few highlighted the difficulty in obtaining this information from card companies.
42. Some respondents also asked for clarification about certain datasets already included in the Code - for example, the level of detail needed in the organisation chart and how frequently it should be published, and how the numbers of staff reporting to senior employees should be calculated. Some pointed out that certain datasets are not held by different tiers of local government: for example parish councils have standing orders rather than constitutions and parish councils are not responsible for running elections. The department was also asked to ensure that definitions in the lists of datasets were consistent with definitions in Local Government Acts and relevant accounting regulations.

**Government response:**

43. The government will clarify and align definitions and responsibilities wherever possible and appropriate.
44. Having considered the consultation responses on the four new sets of information proposed, the government intends to require all local authorities to publish the following information:
- Trade union facility time (on an annual basis) – see paragraph 31 of the revised Code at Annex A. Local authorities already have most of this information available and in many cases either publish it already or provide it in response to Freedom of Information requests. Ministers believe that it is important for accountability that citizens have access to the amount local authorities are paying to trade unions – estimates have previously suggested that facility time costs amount to 0.14 per cent of the total annual pay bill in the public sector compared with 0.04 per cent in the private sector<sup>4</sup>
  - Parking charges – require all local authorities to place a link, or the information itself, on their website to the information on revenues from on-street parking, off-street parking and penalties that they already hold on an annual basis (see

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<sup>4</sup> Based on data from the *2004 Workplace Employment Relations Survey*.

paragraph 32 of the revised Code at Annex A). And, the government intends to require all local authorities publish on their website the number of controlled off and on-street parking spaces on an annual basis (see paragraph 33 of the revised Code at Annex A).

This is a minimal cost option that will provide citizens with easily accessible information which their councils are already in possession of and collating. Ministers want to ensure that local authorities make appropriate parking available in town and city centres in order to help reinvigorate local high streets and markets and to enable people to compare parking availability and costs in different places.

Given the diversity of local geographies, economies and needs, the government will also recommend that, where possible, local authorities also provide data on the number of free parking spaces (see paragraph 48 of the revised Code at Annex A)

- Spending on credit cards - require that all local authorities publish all transactions on a Government Procurement Card on a quarterly basis (see paragraph 21 of the revised Code at Annex A). The government will also recommend that all local authorities publish the underlying details of all transactions on other credit cards, where this is feasible and the information is readily available (see paragraph 43 of the revised Code at Annex A)
- Salaries over £50,000 (including details of bonuses and 'benefits in kind') on an annual basis and include job responsibilities (see paragraphs 34 and 35 of the revised Code at Annex A).

45. Respondents requested other useful sets of data to be listed in the code. The government does not believe that it is appropriate to provide a long list of recommended datasets in the Code itself – rather to refer to the principles of “open, demand-led and timely” provision of data in the Code. However, we are looking at publishing examples of best practice on transparency and open data for citizens, local authorities and developers. It is worth noting that a lot of data on local authorities is published by central government and available via [www.data.gov.uk](http://www.data.gov.uk). The Department for Communities and Local Government also publishes data which local authorities report to it on housing, planning and deprivation to a five star standard on its Open Data Communities website: <http://opendatacommunities.org/>. The Local Government Association publishes performance data provided by local authorities through its Local Government Inform tool, enabling comparisons (<http://lginform.local.gov.uk/>).

**Consultation Question 4: Is the description of minimum standards and proposed timing to achieve them correct?**

46. The Code states that data should be published in open and machine-readable formats, and sets out the five step journey to a fully open format. The consultation document requested views on the proposal that local authorities should comply with the requirements of two star when regulations came into effect and three star six months later, with star levels four and five remaining aspirational.

47. There were 113 responses to this question: 49 from principal councils, 19 from town and parish councils, 10 from fire and rescue authorities and their representative bodies, and the remainder from a mixture of representative organisations, public sector bodies,

individuals, business and the voluntary sector. The majority were generally in favour of the minimum standard of star level two, but there were 47 respondents who did not subscribe to non-proprietary formats (CSV, XML) and felt that conversion to non-proprietary formats (CSV, XML) would involve significant additional cost and administrative burdens relative to the value of the information being available in those formats. 27 respondents expressed concern that the lack of staff capability and skills in this technical area would be a significant hindrance to compliance.

48. 25 respondents agreed that the minimum publication standard should be two star when the regulations come into force, with nine respondents proposing a longer time period of 12 months (rather than six) to move to the next level. Nine respondents asked whether the government would provide funding to support implementation to comply with the three star standard six months after the regulations came into force and to support the move to four and five star standards.
49. There were 16 respondents who felt that it was not helpful that arbitrary and challenging timescales for compliance to be prescribed. There were eight respondents who felt that the proposed minimum standards and timing to achieve them was unrealistic and six respondents felt that real time publishing was not possible. Questions were asked about how long information should remain available for, and how frequently it should be updated.
50. 13 respondents considered that the four and five star standards should remain aspirational since considerable work was needed to move to those levels. There were five respondents who questioned the benefits derived from this due to significant cost and administrative burdens but also whether there was demand for information to be provided in machine readable formats by local citizens. Some respondents felt that detailed guidance of standards and common coding schemes would be required to achieve these standards and that these should be developed collectively and collaboratively by local government (perhaps through the Local Government Association) rather than being imposed by central government.
51. It was suggested that the Code should explain the added value that each step in the five star journey provides and the relevance to local data. The value of step three and step five should be emphasised in this explanation. The Code should promote 'linkable' data, via common definitions and consistent use of identifiers, with the Department for Communities and Local Government publishing these definitions. It was suggested that the department should work with the Local eGovernment Standards Body and the local government sector to promote consistent use of external linkable data sets and Application Programming Interfaces by re-using existing definitions and models, in preference to creating new ones for each type of data.
52. Several respondents were supportive of the proposals to move to machine readable and linked data standards, recognising the long term benefits of data being available in a fully open format. A few considered that data should be published at level three format when the regulation comes into force and that the Open Government Licence should apply to all data unless there are specified exemptions

**Government response:**

53. The government considers there are many business benefits to be achieved from providing data in fully open, accessible and re-usable formats. Open data offers huge potential to bring together disparate related sources and thereby deliver new insights which help the public sector achieve better value for money, solve complex problems, foster smarter partnership working, and drive better decision making. Public data should be published in a format and under a licence that allows open re-use, including for commercial and research activities, in order to maximise value to the public (see paragraph 39 of the revised Code at Annex A).
54. Whilst there are many different types of data and information that are useful for particular purposes and audiences, the government recognises that some datasets do not easily lend themselves to being published in non-proprietary formats. However, it is generally accepted that current software systems have inbuilt and simple procedures to convert data from two star format to three star (such as from Excel to CSV). In light of this, the government would encourage and recommend that councils publish datasets in three star formats alongside their existing formats within six months of the revised Code being published (see paragraph 51 and 52 of the revised Code at Annex A).
55. The government notes the views expressed around cost, skills and the timescales for achieving publication of data to four and five-star levels. Our key partners, including the Local eGovernment Standards Body and the Local Government Association are currently helping councils publish open data and provide guidance and best practice examples underpinned by the use of common standards. We will work with Cabinet Office, the Local Government Association and the Local eGovernment Standards Body to build a local area on [www.data.gov.uk](http://www.data.gov.uk) providing a forum to help local authorities share data more widely and work with developers and citizens to build best practice. The aim is to provide local authority technical staff with examples and case studies on how they can use linkable-data to support their work in a wide range of scenarios and minimise cost burden on authorities.

**Consultation Question 5: Is the process of what will happen if the Code is to be enforced clear?**

56. The government proposed in the consultation document making regulations to require local authorities to publish descriptions of information specified in the revised Code, in the manner and form specified. We proposed to take a considered approach to non-compliance, to allow authorities to work with the department. We stated that, if necessary, the Secretary of State has the power to seek an order from the courts that a local authority is in breach of its obligations and/or an order that it must comply with its duties. This question asked whether the enforcement process was clear.
57. We received 147 responses that covered this question this included 65 principal councils, 35 town and parish councils, 8 fire and rescue authorities and their representative bodies, with the remaining responses coming from a mixture of representative bodies, business, individuals, public sector organisations and the voluntary sector.

58. There was a varied range of views on enforcement and clarity of the proposed process. 91 respondents were of the view that making regulations to require local authorities to publish information contained in the Code was unnecessary. A majority of local authorities cited the additional burdens in terms of cost and staff resource that would be required to comply with all of the Code, a concern that a mandatory Code took away a council's flexibility to respond to local demand, and a concern that it would lead to a "box-ticking" approach rather than genuine and responsive transparency. They felt there were overlaps with other legislation such as the Freedom of Information Act and the Data Protection Act and that the approach was against the spirit of the Localism Act and cutting bureaucracy.
59. Six respondents supported the making of regulations – most commonly saying that it would be helpful to have a clear set of information that citizens had confidence they could access. A further nine respondents supported regulations, but with some reservations for example around encouraging a tick-box compliance culture.
60. Respondents' views varied on how clear the process of enforcement was. Some said they thought it was clear, others suggested more clarity was needed. Several respondents requested clarification about how compliance would be monitored, the steps in the process and what the penalties for non-compliance would be.

#### **Government response:**

61. The government does not wish to impose unnecessary regulatory burdens on authorities. We are mindful that there could be potential cost and resource implications and asked local authorities to provide information about the potential levels of these - we have sought clarification and further detail on this information through discussions with a sample of local authorities who responded to the consultation and with experts. We also understand the Information Commissioner's Office's powers in ensuring local authorities comply with the Freedom of Information Act, including through the publication scheme. In addition, Section 45 Code of Practice (datasets) in the Freedom of Information Act came into force on 1 September 2013, stipulates that if an applicant requests information that is or forms part of a dataset, and expresses a preference to receive it in electronic form, the public authority is required to release the dataset in a way that enables it to be used and re-used<sup>5</sup>.
62. The government has decided to make regulations requiring authorities to publish information which we think is necessary to embed transparency standards and that will promote democratic accountability and opportunities for growth. We believe this strikes the right balance between clear transparency responsibilities for local authorities, giving citizens across the country equal access to key information about their communities, not placing excessive burdens on local authorities and avoiding a "tick box" compliance culture.
63. The government will regulate to require local authorities to provide:
- Spending transactions over £500 (see paragraphs 19 and 20 of the revised Code at Annex A) on a quarterly basis - a key piece of information for democratic

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<sup>5</sup> <http://www.justice.gov.uk/downloads/information-access-rights/foi/code-of-practice-datasets.pdf>

accountability on how taxpayers' money is being spent, and which provides opportunities for the authority itself and its councillors, communities and local businesses to suggest ways in which better value could be achieved

- Information on a quarterly basis on opportunities to provide goods and services to the local authority worth over £5,000, and key details on contracts awarded and the outcome of procurement activity worth over £5,000 (see paragraphs 22 and 23 of the revised Code at Annex A). This information will help businesses, especially small and medium sized enterprises, bid for council contracts. Greater competition may also drive down prices, thereby providing better value for money to the taxpayer
- Basic information about a local authority's land and assets (see paragraphs 26 and 27 of the revised Code at Annex A) on an annual basis - this will enable better strategic management of local authority estate (estimated value of £220 billion), with opportunities for savings through co-location and sharing services, enable communities to hold their authorities to account over use of these assets and also to seek community asset transfer (see the next section below)
- Grants to voluntary, community and social enterprise organisations should be published on an annual (see paragraphs 28 and 29 of the revised Code at Annex A), whether by tagging data on spending items above £500 or contract information, or by publishing a separate list or register. This will help citizens to hold councils to account, to judge whether spending on these sectors is being cut disproportionately, and for organisations in the sectors to engage with the local authority on funding and innovative service delivery
- An organisational chart showing the top three levels of the organisation on an annual basis (see paragraph 30 of the revised Code at Annex A) - this is key information to enable members of the public to engage and influence their local authority
- How much time is being spent on trade union activities and what proportion of the total pay bill this represents on an annual basis (see paragraph 31 of the revised Code at Annex A)
- Expenditure on Government Procurement Cards on a quarterly basis (see paragraph 21 of the revised Code at Annex A)
- Job responsibilities for those whose salaries exceed £50k on an annual basis (see paragraphs 34 and 35 of the revised Code at Annex A)
- The number of controlled off and on street parking spaces on an annual basis (see paragraph 33 of the revised Code at Annex A)
- Parking revenues from on-street and off-street parking and penalty notices on an annual basis (see paragraph 32 of the revised Code at Annex A)
- Constitution on an annual basis (see paragraph 36 of the revised Code at Annex A)
- The ratio between the highest paid salary and the median average salary of the whole of the authority's workforce (pay multiple) on an annual basis (see paragraphs 37 and 38 of the revised Code at Annex A).

64. The government has also listened to concerns from parish and town councils about their capacity to comply with a statutory Code. The Code currently applies to over 800



such small councils because they have an annual income or expenditure over £200,000, even though many of them employ only one or two people.

65. The government has, therefore, decided to exempt parish and town councils from compliance with the revised Code, though it will remain recommended practice for those with an annual income or expenditure over £200,000. This will be done by adopting a £6.5 million gross annual income or expenditure threshold, in line with the smaller authorities audit regime threshold in the Local Audit and Accountability Bill. We signalled our intention to introduce a new lighter-touch transparency Code for smaller authorities below our proposed £200,000 threshold in the command paper published alongside the Draft Local Audit Bill (2012)<sup>6</sup>. This will ensure that authorities which, will be exempted from external audit under the new audit arrangements are subject to a transparency code. It will enable local electors to access relevant information about the authorities' accounts and governance. In the new audit regime, authorities with a turnover below £25,000 will be exempt from routine external audit. The new lighter-touch transparency Code will be mandatory for these authorities only. We intend, in due course, to consult on the new transparency requirements for smaller authorities.
66. We will work with the Information Commissioner's Office to devise a process for dealing with non-compliance with the regulations and ensure that the Code remains consistent with section 19 of the Freedom of Information Act regarding local authorities' duty to adopt and maintain a publication scheme.

**Comments on Annex B of the consultation document: Local Land and Property Data**

67. The current Code recommends that local authorities should publish 'The location of public land and building assets and key attribute information that is normally recorded on asset registers'. In Annex B of the consultation document, we consulted on a suite of 21 attributes that local authorities should publish about their assets. Publishing this information would encourage local authorities to take a more strategic approach to their asset base, enable the public sector to spot opportunities to co-locate and share services, empower communities to hold their local authorities to account and also enable central government to better understand how the public estate is managed. It would also enable the private sector to identify potential investment opportunities.
68. The government received 125 responses on land and property attributes. Of these 61 were from principal authorities and 25 were from town and parish councils. The rest came from a mix of individuals, representative bodies and the private sector.
69. The respondents were broadly supportive of the policy intent to boost transparency around local authority assets, however many expressed concern around the level of detail required by the list in the consultation document. It is clear from the responses that the standard of asset management varies significantly between local authorities. Some are pursuing advanced mapping solutions to support sophisticated asset rationalisation across the public estate. Some of the responses to the consultation underlined the need to drive up standards of asset data across the sector. We know

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<sup>6</sup> [https://www.gov.uk/Government/uploads/system/uploads/attachment\\_data/file/8350/2174738.pdf](https://www.gov.uk/Government/uploads/system/uploads/attachment_data/file/8350/2174738.pdf)

from the Capital Asset Pathfinders that the lack of data about land and assets is a significant barrier to strategic land and asset management.

70. Most local authorities who responded to the consultation felt they could publish the data contained in the first half of Annex B of the consultation document (which covered basic address, size and asset tenure information). However, many asked whether it was possible to publish this as open data, instead of under the restrictions which have been put in place to protect the Intellectual Property of (or licensed to) Ordnance Survey (Unique Property Reference Number, boundary/area extents and Eastings and Northings) and Royal Mail (postcodes).
71. There was less consensus about the second half of Annex B because many local authorities did not hold this data or did not hold it in the suggested format, and therefore reported that they would need substantial resource to comply. Smaller councils including most town and parish councils felt they would struggle to meet the requirements in Annex B.

### **Government Response:**

72. It is estimated that local authority assets are worth £220 billion. This estate has grown up piecemeal and services are delivered in silos, often to the same customers. Some buildings are not fit for purpose, inefficient and in the wrong location to meet service demand. Many assets also have considerable strategic growth potential and during fiscally difficult times could be used as leverage for investment as well as delivering revenue opportunities.
73. It is essential both for the effective use of their assets and the preparation of their published accounts to the standards required by the Code of Practice on Local Government Accounting that local authorities should have ready access to data about these assets: whether they are owned or leased, their use, their fitness for purpose and how much they costs to run and maintain. In order to hold their councils and local politicians to account on the management of the local authority estate it is only right that this information is shared with local people.
74. By compiling this data local authorities, working with other public sector partners, will be able to find innovative new ways to utilise their estate, improve local services, keep council running costs down and save taxpayers' money. Access to data on local authority assets supports organisations who want to play a stronger role in meeting the needs of their communities by taking on the ownership or management of local public assets.
75. The Heseltine Review recommended that local authorities publish details of all surplus and derelict public land on the Government Property Unit's Electronic Property Information Mapping Service database. This would enable Local Economic Partnerships to participate in bringing this land back into use in support of the local economic strategy. We accepted this recommendation and accordingly will require publication of this information and strongly recommend that local authorities record this information on Electronic Property Information Mapping Service, which the current "One Public Estate" pilots are demonstrating can be used as an effective tool to drive efficiencies at the local level.

76. In light of the consultation responses, the government's intention is to require local authorities to publish basic data about their land on an annual basis, its Unique Property Reference Number, address and its location (see paragraphs 26 and 27 of the revised Code at Annex A). The second part of the list we consulted on, containing information about the reason for holding the asset, services, asset condition and running costs will be voluntary (see paragraphs 46 and 47 of the revised Code at Annex A). Local authorities that manage their land and assets effectively should be in a position to publish all the data specified in the short to medium term.
77. To aid community groups who are seeking asset transfer, we have introduced a separate attribute 'asset of community value' which will include all local authority assets that are listed as of community value under Section 87 of the Localism Act 2011 and assets for which the council is actively seeking to transfer to the community. Local authorities should ensure that they can provide any of the data on the list about individual assets to community groups who express an interest in that asset's transfer.
78. Whilst the consultation document provided advice on the licensing conditions which apply to the intellectual property of Ordnance Survey and Royal Mail, we recognise that some respondents are still unclear as to their responsibilities. For the avoidance of doubt, the publication requirement in this Code will not over-ride existing licensing or contractual agreements on the re-use of copyrighted information. Each public sector mapping agreement member will have within its organisation a nominated principal contact whose role is to manage that agreement and deal with all general and policy queries in relation to the use of public sector mapping agreement data and manage the use of contractors' and end users' licences.
79. The government is committed to increasing access to public data through initiatives such as public sector mapping agreement and the Royal Mail's public sector licence. Government has also warmly welcomed the Shakespeare Review on Public Sector Information which makes proposals for further increasing public access to data held by public sector agencies. Going forward, the best and most up to date source of guidance about licensing requirements will remain the organisation's own public sector mapping agreement nominated principal contact.
80. The Information Commissioner has also produced guidance on intellectual property rights and disclosures under the Freedom of Information Act, which is available here: [http://www.ico.org.uk/~media/documents/library/Freedom\\_of\\_Information/Detailed\\_specialist\\_guides/intellectual\\_property\\_rights\\_and\\_disclosures\\_under\\_the\\_foia.pdf](http://www.ico.org.uk/~media/documents/library/Freedom_of_Information/Detailed_specialist_guides/intellectual_property_rights_and_disclosures_under_the_foia.pdf).

# Annex A: Draft Local Authorities (Data Transparency) Code 2013

## Part 1: Introduction

### Policy context

1. This Code is issued to meet the government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society. The availability of data can also open new markets for local business, the voluntary and community sectors and social enterprises to run services or manage public assets.
2. The government believes that in principle all data held and managed by local authorities should be made available to local people unless there are specific sensitivities (eg. protecting vulnerable people or commercial and operational considerations) to doing so. It encourages local authorities to see data as a valuable resource not only to themselves, but also their partners and local people.
3. Three principles have guided the development of this code:
  - **Demand led** – there are growing expectations that new technologies and publication of data should support transparency and accountability. It is vital that public bodies recognise the value to the public of the data they hold, understand what they hold, what their communities want and then release it in a way that allows the public, developers and the media to use it
  - **Open** – provision of public data should become integral to local authority engagement with local people so that it drives accountability to them. Its availability should be promoted and publicised so that residents know how to access it and how it can be used. Presentation should be helpful and accessible to local people and other interested persons and
  - **Timely** – the timeliness of making public data available is often of vital importance. It should be made published as soon as possible following production even if it is not accompanied with detailed analysis.
4. Respondents to the government's consultation on '*Improving Local Government Transparency: Making 'The Code of Recommended Practice for Local Authorities on Data Transparency' enforceable by regulations*'<sup>7</sup> suggested datasets that should be included in this Code. The government has decided not to include them. However, local authorities are encouraged to consider what respondents said and look to go further than this Code, in line with the principle that all data held and managed by local

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<sup>7</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/14855/Making\\_the\\_Code\\_of\\_Recommended\\_Practice\\_mandatory\\_-\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/14855/Making_the_Code_of_Recommended_Practice_mandatory_-_consultation.pdf)

authorities should be made open and available to local people unless there are specific sensitivities to doing so. Appendix A summarises the publication requirements for datasets covered by this Code.

5. Fraud can thrive where decisions are not open to scrutiny and details of spending, contracts and service provision are hidden from view. Greater transparency, and the provisions in this Code, can help combat fraud. Local authorities should also use a risk management approach with strong internal control arrangements to reduce the risk of any payment fraud as a result of publishing public data. Local authorities should refer to the Chartered Institute of Public Finance and Accountancy Red Book 2 – Managing the Risk of Fraud – Actions to Counter Fraud and Corruption<sup>8</sup>. Appendix B provides further information on combating fraud.

## Application

6. This Code is issued by the Secretary of State for Communities and Local Government in exercise of his powers under section 2 of the Local Government, Planning and Land Act 1980 (“the Act”) to issue a Code of Recommended Practice (The Code) as to the publication of information by local authorities about the discharge of their functions and other matters which he considers to be related. It is issued following consultation in accordance with section 3(11) of the Act. It replaces any previous Codes issued under those powers.
7. The Code does not replace or supersede the existing legal framework for access to and re-use of public sector information provided by the Freedom of Information Act 2000 (as amended by the Protection of Freedoms Act 2012), Environmental Information Regulations 2004, the Re-use of Public Sector Information Regulations 2005 and Infrastructure for Spatial Information in the European Community Regulations 2009. This Code does not apply to Police and Crime Commissioners, for whom a separate transparency framework applies.
8. This Code only applies to local authorities in relation to descriptions of information or data where that type of local authority undertakes the particular function to which the information or data relates.
9. The Code applies in England only.

## Definitions

10. In this Code the Act means the Local Government, Planning and Land Act 1980, “local authority” means:
  - a county council in England
  - a district council
  - a parish council which has gross annual income or expenditure (whichever is the higher) exceeding £200,000

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<sup>8</sup>[http://www.cipfanetworks.net/governance/documentation/default\\_view.asp?library=157&category=1255&content\\_ref=7550](http://www.cipfanetworks.net/governance/documentation/default_view.asp?library=157&category=1255&content_ref=7550)

- a London borough council
- the Common Council of the City of London
- the Council of the Isles of Scilly
- a national park authority for a national park in England
- the Broads Authority
- the Greater London Authority so far as it exercises its functions through the Mayor
- the London Fire and Emergency Planning Authority
- Transport for London
- a fire and rescue authority (constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies, and a metropolitan county fire and rescue authority)
- a joint authority established by Part IV of the Local Government Act 1985 (fire and rescue services and transport)
- a joint waste authority, i.e. an authority established for an area in England by an order under section 207 of the Local Government and Public Involvement in Health Act 2007
- an economic prosperity board established under section 88 of the Local Democracy, Economic Development and Construction Act 2009
- a combined authority established under section 103 of that Act
- waste disposal authorities, i.e. an authority established under section 10 of the Local Government Act 1985
- an integrated transport authority for an integrated transport area in England.

## Scope

11. Public data' means the objective, factual data, on which policy decisions are based and on which public services are assessed, or which is collected or generated in the course of public service delivery. This should be the basis for publication of information on the discharge of local authority functions. Public data can only include personal information if disclosure would not contravene the Data Protection Act 1998 and disclosure of personal information is necessary to meet a legitimate public interest, for example, to enable the scrutiny of councillors and senior local authority officials. The Information Commissioner's Office has published guidance on anonymisation of datasets, enabling publication of data which can yield insights to support public service improvement, whilst safeguarding individuals' privacy<sup>9</sup>.
12. Public data should be as accurate as possible at first publication. While errors may occur, the publication of information should not be unduly delayed to rectify mistakes. Instead, publication should be used to help address any imperfections and deficiencies.

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<sup>9</sup>[http://www.ico.org.uk/for\\_organisations/data\\_protection/topic\\_guides/~/\\_media/documents/library/Data\\_Protection/Practical\\_application/anonymisation\\_code.ashx](http://www.ico.org.uk/for_organisations/data_protection/topic_guides/~/_media/documents/library/Data_Protection/Practical_application/anonymisation_code.ashx)

This concerns errors in data accuracy, not errors in redacting personal data, which is covered below. The best way to achieve this is by having robust information management processes in place.

13. Where errors in public data are discovered, or files are changed for other reasons (such as omissions), local authorities should publish revised information making it clear where and how there has been an amendment. Metadata on data.gov.uk should be amended accordingly.

### **Exclusions and exemptions**

14. Where local authorities are disclosing information which potentially engages the Data Protection Act 1998, they must ensure that the publication of that information is compliant with the provisions of that Act. The Data Protection Act 1998 does not restrict or inhibit information being published about councillors or senior local authority officers, because of the public interest in the scrutiny of such senior individuals and decision makers. Authorities should also ensure that they do not contravene the provisions of sections 100A, 100B or 100F of the Local Government Act 1972. Where information would otherwise fall within one of the exemptions from disclosure under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, Infrastructure for Spatial Information in the European Community Regulations 2009 or falls within Schedule 12A to the Local Government Act 1972 then it is in the discretion of the local authority whether or not to rely on that exemption or publish the data. However, the government believes that local transparency can be implemented in a way that complies with the Data Protection Act 1998.

### **Further guidance and support**

15. The Department for Communities and Local Government will work with sector led organisations such as the Local Government Association and the Local eGovernment Standards Body, the Local Public Data Panel and the Information Commissioner's Office to ensure guidance on transparency (eg. technical guidance notes, best practice examples and case studies) is available to local authorities.

## Part 2: Information which must be published

16. Part 2 is recommended practice for parish councils whose gross annual income or expenditure (whichever is the higher) does not exceed £6.5 million.

### Part 2.1: Information to be published quarterly

17. Data covered by this section includes:

- expenditure exceeding £500 (see paragraph 19 and 20)
- Government Procurement Card transactions (paragraph 21) and,
- procurement information (see paragraphs 22 and 23).

18. The data and information referred to in this section (2.1) must be published not less than quarterly and not later than one month after the quarter to which the data and information is applicable.

### **Expenditure exceeding £500**

19. Local authorities must publish details of each individual item of expenditure that exceeds £500. This includes items of expenditure, consistent with Local Government Association guidance<sup>10</sup>, such as:

- individual invoices
- grant payments
- expense payments
- payments for goods and services
- grants to third-party providers
- grant in aid
- rent
- credit notes over £500
- transactions with other public bodies.

20. For each individual item of expenditure the following information must be published:

- date the expenditure was incurred
- the local authority department which incurred the expenditure
- the beneficiary
- summary of the purpose of the expenditure<sup>11</sup>

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<sup>10</sup> <http://localspending.readandcomment.com/files/2011/02/LocalSpendingData-APractitionersGuide-V7-10.pdf>

<sup>11</sup> This could be the descriptor that local authorities use in their accounting system providing it gives a clear sense of why the expenditure was incurred or what it purchased or secured for the local authority.



- amount
- merchant category (eg. computers, software, etc)

### **Government Procurement Card transactions**

21. Local authorities must publish details of every transaction on a Government Procurement Card. For each transaction, the following details must be published:

- date of the transactions
- the local authority department which uncured the expenditure
- the beneficiary
- amount
- summary of the purpose of the expenditure
- merchant category (eg. computers, software, etc).

### **Procurement information**

22. Local authorities must publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. For each invitation, the following details must be published:

- title
- description of goods and/or services sought
- the start, end and review dates
- the local authority department responsible.

23. Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:

- reference number
- title of agreement
- the local authority department responsible
- description of the goods and/or services being provided
- supplier name and details
- the sum to be paid over the length of the contract or the estimated annual spending or budget for the contract
- the start, end and review dates
- whether or not the contract was the result of an invitation to quote or a published invitation to tender

- whether or not the supplier is a small or medium sized enterprise<sup>12</sup> and/or a voluntary or community sector organisation<sup>13</sup>.

## Part 2.2: Information to be published annually

24. Data covered by this section includes:

- local authority land (see paragraphs 26 and 27)
- grants to voluntary, community and social enterprise organisations (see paragraphs 28 and 29)
- organisation chart (see paragraph 30)
- trade union facility time (see paragraph 31)
- parking revenues (see paragraph 32)
- controlled parking spaces (see paragraph 33)
- senior salaries (see paragraphs 34 and 35)
- constitution (see paragraph 36)
- the pay multiple (see paragraphs 37 and 38).

25. The data and information in this section (2.2) must be published not less than annually and not later than one month after the year to which the data and information is applicable.

### Local authority land

26. Local authorities must publish details of all land and building assets based on Office of Government Commerce guidance 08/05<sup>14</sup>. This includes:

- all service and office properties occupied or controlled by user bodies, both freehold and leasehold
- any properties occupied or run under Private Finance Initiative contracts
- all other properties they own or use, for example, hostels, laboratories, investment properties and depots
- garages unless rented as part of a housing tenancy agreement
- surplus, sublet or vacant properties
- undeveloped land

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<sup>12</sup> A small or medium sized enterprise is defined as one which has fewer than 250 employees.

<sup>13</sup> Non-governmental organisations that are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives.

<sup>14</sup> <https://www.epims.ogc.gov.uk/ProgrammeHub/public/DAO%20Letter%20Mandating%20e-PIMS.pdf?id=258687de-b5ce-4d28-9430-1e259c56897b>

- serviced or temporary offices where contractual or actual occupation exceeds 3 months and,
- all future commitments, for example under an agreement for lease, from when the contractual commitment is made.

However, there are some exclusions:

- social housing<sup>15</sup>
- rent free properties provided by traders (such as information booths in public places or ports)
- operational railways and canals
- operational public highways (but any adjoining land not subject to public rights should be included)
- assets of national security
- information deemed inappropriate for public access as a result of data protection and/or disclosure controls (eg. such as refuge houses).

27. For each land or building asset, the following information must be published together in one place:

- UniqueProperty reference number
- Unique asset identity - the local reference identifier used by the local body, sometimes known as local name or building block. There should be one entry per asset or user/owner (eg. on one site there could be several buildings or in one building there could be several users floors/rooms etc – where this is the case, each of these will have a separate asset identity). This must include the original reference number from the data source plus authority code
- name of the building/land or both
- street number or numbers - any sets of 2 or more numbers should be separated with the '-' symbol (eg. 10-15 London Road)
- street name – this is the postal road address
- postal town
- United Kingdom postcode
- easting and northing (geocoding in accordance with ISO 6709 Standard Representation for Geographic Point Location by Coordinates, usually a centre point of the asset location)
- whether the local authority owns the freehold or a lease for the asset and for whichever category applies, the local authority must list all the characteristics that apply from the options given below:

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<sup>15</sup> To avoid data protection issues it is recommended that the specific location details of social housing is not included in the published list.

*for freehold assets:*

- occupied by the local authority
- ground leasehold
- leasehold
- licence
- vacant.

*for leasehold assets:*

- occupied by the local authority
- ground leasehold
- sub leasehold
- licence.

*for other assets:*

- free text description eg. rights of way, access etc.
- whether or not the asset is land only (i.e. without permanent buildings) or it is land with a permanent building.

### **Grants to voluntary, community and social enterprise organisations**

28. Local authorities must publish details of all grants to voluntary, community and social enterprise organisations. This can be achieved by either:

- tagging and hence specifically identifying transactions which relate to voluntary, community and social enterprise organisations within published data on expenditure over £500 or published procurement information or,
- by publishing a separate list or register.

29. For each identified grant, the following information must be published as a minimum:

- date the grant was incurred
- the time period for which the grant has been given
- the local authority department which awarded the grant
- the beneficiary
- summary of the purpose of the expenditure
- the amount.

## Organisation chart

30. Local authorities must publish an organisation chart covering staff in the top three levels of the organisation<sup>16</sup>. The following information must be included for each member of staff included in the chart:

- grade
- job title
- local authority department and team
- whether permanent or temporary staff
- contact details
- salary in £5,000 brackets, consistent with the details published under paragraph 34
- salary ceiling (the maximum salary for the grade).

## Trade union facility time

31. Local authorities must publish the following information on trade union facility time:

- total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives)
- total number (absolute number and full time equivalent) of union representatives who devote at least 50 per cent of their time to union activity
- the names of all trade unions represented in the local authority
- a basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill).

## Parking revenues

32. Local authorities must already maintain accounts that include parking revenue data. They should already, therefore, collect and publish data on revenue collected from on-street parking, off-street parking and parking enforcement notices under The General Fund Revenue Account Outturn Guidance and the Department for Transport's statutory guidance to local authorities on the Civil Enforcement of Parking Contraventions under Traffic Management Act 2004. Local authorities must place a link on their website to these published data or place the data itself on its website.

## Controlled parking spaces

33. Local authorities must publish the number of marked out controlled on and off-street parking spaces within their area, or an estimate of the number of spaces where controlled parking space is not marked out in individual parking bays or spaces.

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<sup>16</sup> This should exclude staff whose salary does not exceed £50,000.

## Senior salaries

34. Local authorities are already required to publish, under the *Accounts and Audit (England) Regulations 2011* (Statutory Instrument 2011/817):

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- the name of each employee and details of their remuneration, for employees whose salary is at least £150,000
- details of remuneration and job title of certain senior employees whose salary is between £50,000 and £150,000.

35. In addition to this requirement, local authorities must place a link on their website to these published data or place the data itself on its website, together with a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and 'benefits in kind', for all employees whose salary exceeds £50,000. The key differences between the requirements under this Code and the regulations referred to above is the addition of a list of responsibilities and inclusion of bonus details for all senior employees whose salary exceeds £50,000.

## Constitution

36. Local authorities are already required to make their Constitution available for inspection at their offices under section 9P of the Local Government Act 2000. Local authorities must also, under this Code, publish their Constitution on their website.

## Pay multiple

37. Section 38 of the Localism Act 2011 requires local authorities to produce Pay Policy Statements, which should include the authority's policy on pay dispersion – the relationship between remuneration of chief officers and the remuneration of other staff. Guidance produced under section 40 of that Act<sup>17</sup>, recommends that the pay multiple is included in these statements as a way of illustrating the authority's approach to pay dispersion.

38. Local authorities must, under this Code, publish the pay multiple on their website, defined as the ratio between the highest paid salary and the median salary of the whole of the authority's workforce. The measure must:

- cover all elements of remuneration that can be valued (eg. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind)
- the median earnings figure should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year

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<sup>17</sup> Openness and accountability in local pay: Guidance under Section 40 of the Localism Act (February 2012) - <https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance>

- exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.

## Part 2.3: Method of publication

39. Public data should be published in a format and under a licence that allows open re-use, including for commercial and research activities, in order to maximise value to the public. The Open Government Licence published by the National Archives should be used as the recommended standard. Where any copyright concerns exist with public data these should be made clear. Data covered by Part 2 of this Code must be published in open and machine-readable formats.

## Part 3: Information recommended for publication

40. Part 2 of this Code set out details of the minimum data that local authorities must publish. The government believes that in principle all data held and managed by local authorities should be made available to local people unless there are specific sensitivities to doing so. Therefore, it encourages local authorities to go much further in publishing the data they hold, recognising the benefits of sharing that data both for local people, more effective service delivery and better policy making. Part 3 of this Code sets out details of data that the government recommends local authorities publish.

41. The whole of Part 3 is recommended practice for parish councils with gross income or expenditure (whichever is the higher) exceeding £200,000.

### Part 3.1: Information recommended for publication

42. Data covered by this section includes:

- expenditure data (see paragraph 43)
- procurement information (see paragraphs 44 and 45)
- local authority land (see paragraph 46 and 47)
- parking information (see paragraph 48)
- organisation chart (see paragraph 49)
- grants to voluntary, community and social enterprise organisations (see paragraph 50).

#### **Expenditure data**

43. It is recommended that local authorities go further than the minimum publication requirements set out in Part 2 and:

- publish information on a monthly instead of quarterly basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as 'real-time' publication)
- publish details of all transactions that exceed £250 instead of £500. For each transaction the details that should be published remain as set out in paragraph 20
- publish all transactions on all corporate credit cards, charge cards and procurements, including those that are not a Government Procurement Card. For each transaction the details that should be published remain as set out in paragraph 21
- classify expenditure using the Chartered Institute of Public Finance and Accountancy Service Reporting Code of Practice codes to enable comparability between local authorities.



## Procurement information

44. It is recommended that local authorities place on Contracts Finder<sup>18</sup>, as well as any other local portal, every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £10,000. For each invitation, the details that should be published are the same as those set out in paragraph 22.

45. It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish:

- information on a monthly instead of quarterly basis, or ideally, as soon as it is generated and therefore becomes available (commonly known as 'real-time' publication)
- every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £500 instead of £5,000. The details that should be published are the same as those set out in paragraph 22
- all contracts in their entirety where the value of the contract exceeds £5,000<sup>19</sup>
- details of invitations to tender or invitations to quote that are likely to be issued in the next twelve months. The details that should be published are the same as those set out in paragraph 22
- details of the geographical (eg. by ward) coverage of contracts entered into by the local authority
- details of performance against contractual key performance indicators
- information disaggregated by voluntary and community sector category (eg. whether it is registered with Companies House, Charity or Charitable Incorporated Organisation, Community Interest Company, Industrial and Provident Society, Housing Association, etc).
- providers' registration numbers where the provider is from the voluntary or community sector.

## Local authority land

46. It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish information on a monthly instead of annual basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as 'real-time' publication). It is also recommended that local authorities should publish all the information possible on Electronic Property Information Mapping Service.

47. It is further recommended that local authorities also go further than the minimum publication requirements set out in paragraph 27 by publishing, alongside them in one place, the following information:

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<sup>18</sup> Documentation for all procurements valued at over £10,000 is stored on Contracts Finder for public viewing as part of government's transparency commitment. <https://online.contractsfinder.businesslink.gov.uk/>

<sup>19</sup> Where a contract runs into several hundreds of pages or more, a local authority should publish a summary of the contract or sections of the contract, if this would be more helpful to local people and businesses.

- the size of the asset measured in Gross Internal Area (m<sup>2</sup>) for buildings or hectares for land, in accordance with the Royal Institute of Chartered Surveyors Code of Measuring Practice. The Gross Internal Area is the area of a building measured to the internal face of the perimeter walls at each floor level. Local authorities using Net Internal Area (m<sup>2</sup>) should convert measurements to Gross Internal Area using appropriate conversion factors<sup>20</sup> and state the conversion factor used.
- the services offered from the asset using the services listed from the Effective Services Delivery government service function list <http://doc.esd.org.uk/FunctionList/1.00.html> (listing up to five main services)
- the reason for holding asset such as, it is occupied by the local authority or it is providing a service in its behalf, it is an investment property, it supports economic development (eg. provision of small businesses or incubator space), it is surplus to the authority's requirements, it is awaiting development, it is under construction, it provides infrastructure or it is a community asset
- whether or not the asset is either one which is an asset in the authority's ownership that is listed under Part 5 Chapter 3 of the Localism Act 2011 and/or an asset which the authority is actively seeking to transfer to the community
- total building operation (revenue) costs as defined in the Corporate value for money indicators for public services at <http://www.vfmindicators.co.uk/guidance/2010-11-Estates-Management.pdf>
- required maintenance - the cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service and/or to meet statutory or contract obligations and maintain it at the standard. This should exclude improvement projects but include works necessary to comply with new legislation (eg. asbestos and legionella)
- functional suitability rating 1-4 using the scale:
  - good – performing well and operating efficiently (supports the needs of staff and the delivery of services)
  - satisfactory – performing well but with minor problems (generally supports the needs of staff and the delivery of services)
  - poor – showing major problems and/or not operating optimally (impedes the performance of staff and/or the delivery of services)
  - unsuitable – does not support or actually impedes the delivery of services
- energy performance rating as stated on the Display Energy Certificate under the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007.

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<sup>20</sup> Local authorities are not expected to re-measure buildings. Research undertaken for the Scottish Government offers one method of converting Net Internal Area to Gross Internal Area and can be found at: <http://www.scotland.gov.uk/Resource/Doc/217736/0121532.pdf>

### **Parking information**

48. It is recommended that local authorities should publish the number of free parking spaces available in its area which are provided directly by the local authority or an estimate of the number of spaces where free parking space is not marked out in individual parking bays or spaces.

### **Organisation chart**

49. It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish:

- charts including all employees in the local authority whose salary exceeds £50,000
- the salary band for each employee included in the chart(s)
- information about current vacant posts, or signpost vacancies that are going to be advertised in the future.

### **Grants to voluntary, community and social enterprise organisations**

50. It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish information on a monthly instead of annual basis where payments are made more frequently than a single annual payment, or ideally, as soon as the data becomes available and therefore known to the authority (commonly known as 'real-time' publication). It is further recommended that local authorities publish information disaggregated by voluntary and community sector category (eg. whether it is registered with Companies House, charity or charitable incorporated organisation, community interest company, industrial and provident society, housing association, etc); and publish providers' registration numbers where the provider is from the voluntary or community sector,

## **Part 3.2: Method of publication**

51. The government endorses the five step journey to a fully open format:

One star	Available on the web (whatever format) but with an open license
Two star	As for one star plus available as machine-readable structured data (eg. Excel instead of an image scan of a table)
Three star	As for two star plus use a non-proprietary format (eg. CSV and XML)
Four star	All of the above plus use open standards from the World Wide Web Consortium (such as RDF and SPARQL21)
Five star	All the above plus links an organisation's data to others' data to provide context

52. Local authorities are recommended to publish data in three star formats where this is suitable and appropriate<sup>21</sup>, alongside open and machine-readable format, within six months of this Code being issued.

**XXXXX, a Senior Civil Servant in the Department for Communities and  
Local Government**

**Department for Communities and Local Government**

**XXXXX 2013**

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<sup>21</sup> Statistical data, lists etc should be perfectly capable of being published in this format but others (eg. organisation charts) may be more difficult.

# Appendix A: Table summarising all information to be published

Information title	Information which must be published	Information recommended for publication
<p><b>Expenditure exceeding £500</b></p>	<p>Quarterly publication</p> <p>Publish details of each individual item of expenditure that exceeds £500, including items of expenditure, consistent with Local Government Association guidance, such as:</p> <ul style="list-style-type: none"> <li>• individual invoices</li> <li>• grant payments</li> <li>• expense payments</li> <li>• payments for goods and services</li> <li>• grants to third-party providers</li> <li>• grant in aid</li> <li>• rent</li> <li>• credit notes over £500</li> <li>• transactions with other public bodies.</li> </ul> <p>For each individual item of expenditure the following information must be published:</p> <ul style="list-style-type: none"> <li>• date the expenditure was incurred</li> <li>• the local authority department which incurred the expenditure</li> <li>• the beneficiary</li> <li>• summary of the purpose of the expenditure</li> <li>• amount</li> <li>• merchant category (eg. computers, software. etc).</li> </ul>	<ul style="list-style-type: none"> <li>• Publish information on a monthly instead of quarterly basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as ‘real-time’ publication).</li> <li>• Publish details of all transactions that exceed £250 instead of £500 (same individual information items).</li> <li>• Classify expenditure using the Chartered Institute of Public Finance and Accountancy (CIPFA) Service Reporting Code of Practice codes to enable comparability between local authorities.</li> </ul>
<p><b>Government Procurement Card</b></p>	<p>Quarterly publication</p> <p>Publish details of every transaction on a Government Procurement Card. For each transaction, the following details must be</p>	<p>Publish all transactions on all corporate credit cards, charge cards and procurements, including those that are not a Government</p>

Information title	Information which must be published	Information recommended for publication
<b>transactions</b>	<p>published:</p> <ul style="list-style-type: none"> <li>• date of the transactions</li> <li>• the local authority department which incurred the expenditure</li> <li>• the beneficiary</li> <li>• amount</li> <li>• summary of the purpose of the expenditure</li> <li>• merchant category (eg. computers, software, etc).</li> </ul>	Procurement Card (same individual information items).
<b>Procurement information</b>	<p>Quarterly publication Publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. For each invitation, the following details must be published:</p> <ul style="list-style-type: none"> <li>• title</li> <li>• description of goods and/or services sought</li> <li>• the start, end and review dates</li> <li>• the local authority department responsible.</li> </ul> <p>Quarterly publication Publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:</p> <ul style="list-style-type: none"> <li>• reference number</li> <li>• title of agreement</li> <li>• the local authority department responsible</li> <li>• description of the goods and/or services being provided</li> <li>• supplier name and details</li> <li>• the sum to be paid over the length of the contract or the estimated annual spending or budget for the contract</li> <li>• the start, end and review dates</li> </ul>	<p>Place on Contracts Finder, as well as any other local portal, every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £10,000.</p> <p>Publish:</p> <ul style="list-style-type: none"> <li>• information on a monthly instead of quarterly basis, or ideally, as soon as it is generated and therefore becomes available (commonly known as ‘real-time’ publication)</li> <li>• every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £500 instead of £5,000</li> <li>• all contracts in their entirety where the value of the contract exceeds £5,000</li> <li>• details of invitations to tender or invitations to quote that are likely to be issued in the next twelve months</li> <li>• details of the geographical (eg. by ward) coverage of contracts entered into by the</li> </ul>

Information title	Information which must be published	Information recommended for publication
	<ul style="list-style-type: none"> <li>• whether or not the contract was the result of an invitation to quote or a published invitation to tender</li> <li>• whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation.</li> </ul>	<p>local authority</p> <ul style="list-style-type: none"> <li>• details of performance against contractual key performance indicators</li> <li>• information disaggregated by voluntary and community sector category (eg. whether it is registered with companies house, charity or charitable incorporated organisation, community interest company, industrial and provident society, housing association, etc).</li> <li>• providers' registration numbers where the provider is from the voluntary or community sector.</li> </ul>
<p><b>Local authority land</b></p>	<p>Annual publication</p> <p>Publish details of all land and building assets based on Office of Government Commerce guidance 08/05. This includes:</p> <ul style="list-style-type: none"> <li>• all service and office properties occupied or controlled by user bodies, both freehold and leasehold</li> <li>• any properties occupied or run under Private Finance Initiative contracts</li> <li>• all other properties they own or use, for example, hostels, laboratories, investment properties and depots</li> <li>• garages unless rented as part of a tenancy agreement</li> <li>• surplus, sublet or vacant properties</li> <li>• undeveloped land</li> <li>• serviced or temporary offices where contractual or actual occupation exceeds three months and</li> <li>• all future commitments, for example under an agreement for lease, from when the contractual commitment is made.</li> </ul> <p>However, there are some exclusions:</p>	<p>Publish information on a monthly instead of annual basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as 'real-time' publication).</p> <p>Publish the following additional information:</p> <ul style="list-style-type: none"> <li>• the size of the asset measured in Gross Internal Area (m<sup>2</sup>) hectares, in accordance with the Royal Institute of Chartered Surveyors Code of Measuring Practice. The Gross Internal Area is the area of a building measured to the internal face of the perimeter walls at each floor level. Local authorities using Net Internal Area should convert measurements to Gross Internal Area using appropriate conversion factors</li> <li>• the services offered from the asset using</li> </ul>

Information title	Information which must be published	Information recommended for publication
	<ul style="list-style-type: none"> <li>• social housing</li> <li>• rent free properties provided by traders (such as information booths in public places or ports)</li> <li>• operational railways and canals</li> <li>• operational public highways (but any adjoining land not subject to public rights should be included)</li> <li>• assets of national security</li> <li>• information deemed inappropriate for public access as a result of data protection and/or disclosure controls (eg. such as refuge houses).</li> </ul> <p>For each land or building asset, the following information must be published together in one place:</p> <ul style="list-style-type: none"> <li>• Unique property reference number</li> <li>• Unique asset identity - the local reference identifier used by the local body, sometimes known as local name or building block. There should be one entry per asset or user/owner (eg. on one site there could be several buildings or in one building there could be several users floors/rooms etc – where this is the case, each of these will have a separate asset ID). This must include the original reference number from the data source plus authority code</li> <li>• name of the building/land or both</li> <li>• street number or numbers - any sets of 2 or more numbers should be separated with the ‘-’ symbol (eg. 10-15 London Road)</li> <li>• street name – this is the postal road address</li> <li>• postal town</li> <li>• United Kingdom postcode</li> </ul>	<p>the services listed from the Effective Services Delivery government service function list  <a href="http://doc.esd.org.uk/FunctionList/1.00.html">http://doc.esd.org.uk/FunctionList/1.00.html</a>            (listing up to five main services)</p> <ul style="list-style-type: none"> <li>• the reason for holding asset such as, it is occupied by the local authority or it is providing a service in its behalf, it is an investment property, it supports economic development (eg. provision of small businesses or incubator space), it is surplus to the authority’s requirements, it is awaiting development, it is under construction, it provides infrastructure or it is a community asset</li> <li>• whether or not the asset is either one which is an asset in the authority’s ownership that is listed under Part 5 Chapter 3 of the Localism Act 2011 or an asset which the authority is actively seeking to transfer to the community</li> <li>• total building operation (revenue) costs as defined in the corporate value for money indicators for public services at <a href="http://www.vfmindicators.co.uk/guidance/2010-11-Estates-Management.pdf">http://www.vfmindicators.co.uk/guidance/2010-11-Estates-Management.pdf</a></li> <li>• required maintenance - the cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service and/or to meet statutory or contract obligations and maintain it at the standard. This should</li> </ul>



Information title	Information which must be published	Information recommended for publication
	<ul style="list-style-type: none"> <li>• easting and northing (geocoding in accordance with ISO 6709 Standard Representation for Geographic Point Location by Coordinates, usually a centre point of the asset location)</li> <li>• whether the local authority owns the freehold or a lease for the asset and for whichever category applies, the local authority must list all the characteristics that apply from the options given below:               <ul style="list-style-type: none"> <li>for freehold assets:                   <ul style="list-style-type: none"> <li>○ occupied by the local authority</li> <li>○ ground leasehold</li> <li>○ leasehold</li> <li>○ licence</li> <li>○ vacant</li> </ul> </li> <li>for leasehold assets:                   <ul style="list-style-type: none"> <li>○ occupied by the local authority</li> <li>○ ground leasehold</li> <li>○ sub leasehold</li> <li>○ licence</li> </ul> </li> <li>for other assets:                   <ul style="list-style-type: none"> <li>○ free text description eg. rights of way, access etc</li> </ul> </li> </ul> </li> <li>• whether or not the asset is land only (without permanent buildings) or it is land with a permanent building.</li> </ul>	<ul style="list-style-type: none"> <li>○ exclude improvement projects but include works necessary to comply with new legislation (eg. asbestos and legionella)</li> <li>• functional suitability rating 1-4 using the scale:               <ul style="list-style-type: none"> <li>○ good – performing well and operating efficiently (supports the needs of staff and the delivery of services)</li> <li>○ satisfactory – performing well but with minor problems (generally supports the needs of staff and the delivery of services)</li> <li>○ poor – showing major problems and/or not operating optimally (impedes the performance of staff and/or the delivery of services)</li> <li>○ unsuitable – does not support or actually impedes the delivery of services</li> </ul> </li> <li>• energy performance rating as stated on the Display Energy Certificate under the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007.</li> </ul>
<p><b>Grants to voluntary, community and social enterprise organisations</b></p>	<p>Annual publication</p> <p>Publish details of all grants to voluntary, community and social enterprise organisations. This can be achieved by either:</p> <ul style="list-style-type: none"> <li>• tagging and hence specifically identifying transactions which relate to voluntary, community and social enterprise organisations within published data on expenditure over £500 or published procurement information or,</li> </ul>	<ul style="list-style-type: none"> <li>• Publish information on a monthly instead of annual basis where payments are made more frequently than a single annual payment, or ideally, as soon as the data becomes available and therefore known to the authority (commonly known as ‘real-time’ publication).</li> </ul>

Information title	Information which must be published	Information recommended for publication
	<ul style="list-style-type: none"> <li>• by publishing a separate list or register.</li> </ul> <p>For each identified grant, the following information must be published as a minimum:</p> <ul style="list-style-type: none"> <li>• date the grant was incurred</li> <li>• the time period for which the grant has been given</li> <li>• the local authority department which awarded the grant</li> <li>• the beneficiary</li> <li>• summary of the purpose of the expenditure</li> <li>• the amount.</li> </ul>	<ul style="list-style-type: none"> <li>• information disaggregated by voluntary and community sector category (eg. whether it is registered with companies house, charity or charitable incorporated organisation, community interest company, industrial and provident society, housing association, etc ).</li> <li>• providers' registration numbers where the provider is from the voluntary or community sector.</li> </ul>
<b>Organisation chart</b>	<p>Annual publication</p> <p>Publish an organisation chart covering staff in the top three levels of the organisation. The following information must be included for each member of staff included in the chart:</p> <ul style="list-style-type: none"> <li>• grade</li> <li>• job title</li> <li>• local authority department and team</li> <li>• whether permanent or temporary staff</li> <li>• contact details</li> <li>• salary in £5,000 brackets, consistent with the details published for Senior Salaries</li> <li>• salary ceiling (i.e. the maximum salary for the grade).</li> </ul>	<p>Local authorities should publish:</p> <ul style="list-style-type: none"> <li>• charts including all employees in the local authority whose salary exceeds £50,000</li> <li>• the salary band for each employee included in the chart(s)</li> <li>• information about current vacant posts, or signpost vacancies that are going to be advertised in the future.</li> </ul>
<b>Trade union facility time</b>	<p>Annual publication</p> <p>Publish the following information:</p> <ul style="list-style-type: none"> <li>• total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives)</li> <li>• total number (absolute number and full time equivalent) of union representatives who devote at least 50 per cent of their time to union activity</li> </ul>	

Information title	Information which must be published	Information recommended for publication
	<ul style="list-style-type: none"> <li>the names of all trade unions represented in the local authority</li> <li>a basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill).</li> </ul>	
<b>Parking revenues</b>	<p>Annual publication</p> <p>Local authorities must place a link on their website to the following published data or place the data itself on its website:</p> <ul style="list-style-type: none"> <li>revenue collected from on-street and off-street parking</li> <li>parking enforcement notices.</li> </ul>	
<b>Controlled parking spaces</b>	<p>Annual publication</p> <p>Publish the number of marked out controlled on and off-street parking spaces within their area, or an estimate of the number of spaces where controlled parking space is not marked out in individual parking bays or spaces.</p>	<p>Local authorities should publish the number of free parking spaces available in its area which are provided directly by the local authority or an estimate of the number of spaces where free parking space is not marked out in individual parking bays or spaces.</p>
<b>Senior salaries</b>	<p>Annual publication</p> <p>Local authorities must place a link on their website to the following data or must place the data itself on its website:</p> <ul style="list-style-type: none"> <li>the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000</li> <li>the name of each employee and details of their remuneration, for employees whose salary is at least £150,000</li> <li>details of remuneration and job title of certain senior employees whose salary is between £50,000 and £150,000</li> <li>a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) for all employees whose salary exceeds £50,000.</li> </ul>	

Information title	Information which must be published	Information recommended for publication
<b>Constitution</b>	Annual publication Local authorities must publish their Constitution on their website.	
<b>Pay multiple</b>	Annual publication Publish the pay multiple on their website defined as the ratio between the highest paid salary and the median salary of the whole of the authority's workforce. The measure must: <ul style="list-style-type: none"> <li>• cover all elements of remuneration that can be valued (eg. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind)</li> <li>• the median earnings figure should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year</li> <li>• exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.</li> </ul>	

## Appendix B: Detecting and preventing fraud

Tackling fraud is an integral part of ensuring that tax-payers money is used to protect resources for frontline services. The cost of fraud to local government is estimated at £2.1 billion a year. This is money that can be better used to support the delivery of front line services and make savings for local tax payers.

A culture of transparency should strengthen counterfraud controls. The Code makes it clear that fraud can thrive where decisions are not open to scrutiny and details of spending, contracts and service provision are hidden from view. Greater transparency, and the provisions in this Code, can help combat fraud.

Sources of support to tackle fraud include:

*Fighting Fraud Locally, The Local Government Fraud Strategy*

([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/118508/strategy-document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118508/strategy-document.pdf)), was drafted by the National Fraud Authority and CIPFA (the Chartered Institute of Public Finance and Accountancy). The document calls for the adoption of a tougher approach to tackle fraud against local authorities. The strategy is part of a wider collaboration on counter fraud and is the local authority contribution to the national fraud strategy – *Fighting Fraud Together* (<https://www.gov.uk/government/publications/nfa-fighting-fraud-together>) which encompasses both the public and private sectors response to fraud in the UK.

Local authorities should use a risk management approach with strong internal control arrangements to reduce the risk of any payment fraud as a result of publishing public data. Local authorities should refer to the *Chartered Institute of Public Finance and Accountancy Red Book 2 – Managing the Risk of Fraud – Actions to Counter Fraud and Corruption* ([http://www.cipfa.org/-/media/files/topics/fraud/cipfa\\_corporate\\_antifraud\\_briefing.pdf](http://www.cipfa.org/-/media/files/topics/fraud/cipfa_corporate_antifraud_briefing.pdf)). The document sets out a step by step toolkit to tackling fraud: identifying and understanding your fraud risks and potential exposure to fraud loss; assessing current resilience to fraud; evaluating the organisation's ability to respond to potential or identified fraud; and developing a strategy. Developing an anti-fraud culture is an important part of improving resilience; the benefits of improving resilience to fraud include reduced exposure to fraud and an organisation that is better able to identify attempted frauds or vulnerabilities.

The National Fraud Authority have produced a guide on procurement fraud, *Procurement Fraud in the Public Sector*, ([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/118460/procurement-fraud-public-sector.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118460/procurement-fraud-public-sector.pdf)) which deals with the whole process, from bidding during the pre-contract award phase through to false invoicing in the post-contract award phase.

There are some specific steps local authorities can take to prevent procurement fraud. These might include:

- Only accepting requests for changes to supplier standing data in writing.
- Seeking confirmation from the supplier that the requested changes are genuine, using contact details held on the vendor data file or from previous and legitimate

correspondence; and not contacting the supplier via contact details provided on the letter requesting the changes.

- Ensuring that there is segregation of duties between those who authorise changes and those who make them.
- Only authorising changes when all appropriate checks have been carried out with legitimate suppliers and only making the changes when the proper authorisations to do so have been given.
- Maintaining a suitable audit trail to ensure that a history of all transactions and changes is kept.
- Producing reports of all changes made to supplier standing data and checking that the changes were valid and properly authorised before any payments are made.
- Carrying out standard checks on invoices before making any payments.
- Regularly verifying the correctness of standing data with suppliers.



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**Audit and Governance Committee**

16 April 2014

Report of the Chief Executive

**Project boards****Summary**

1. The purpose of this report is to outline the council's approach to the set up of Project Boards during the start up phase of the project lifecycle.

**Background**

2. As part of the delivery of the council's five priorities and other initiatives, such as efficiency work, the council has a large number of programmes and projects. These vary in scale from multi-million pound programmes that operate at a corporate level, e.g. Accommodation, Access York, Elderly Persons Homes review, to small scale projects within directorates.
3. As part of any project, a project board is set up to provide governance and leadership. The project board also ensures that links are maintained to overall council strategy and to Directorate Management Teams.

**Project Boards and assignment of roles**

4. A Project board is formed during the start up phase of the project and exists from the start up to project closure. This is mandated by the Prince2 Project Management methodology that is the accepted methodology for all public services including City of York Council. It is important to recognise that there is a difference between a working group, or task and finish group, that might inform and shape work in certain areas and a project board.
5. City of York Council takes an appropriately flexible approach to the governance of pieces of work and generally the directorate management teams provide a mechanism to manage business as usual and small projects. Where work is more cross cutting in nature or carries significant risk or cost a formal project will be established and a project board will be assigned at that point.

6. Technically there are four key roles on a project board according to Prince2 Project methodology. The project sponsor (or customer), the senior user (who is the main user of the output of the project), the senior supplier (the main supplier involved in the outputs of the project) and project assurance (ensures that there is quality assurance and robust control during the project lifecycle). These are the decision making roles and the project sponsor appoints a project manager who manages the day to day delivery of the project.
7. The project sponsor is the senior officer on the project board and they chair the project board and arbitrate on any areas that require agreement at the project board. On City of York Council projects this role is assigned to a senior officer (the level will depend on the size and nature of the project). As part of the project initiation, officers are identified to perform the project board as identified.

### **The role of elected members on project boards**

8. When a project is initiated it is noted which elected member portfolio the subject matter of the project falls into (in some cases the project will fall into more than one portfolio). A view is then taken as to what the most practical method of briefing the portfolio holder is as the project progresses. In some cases it is determined that the most practical approach is for the portfolio holder to attend the board meeting. In other cases, members are briefed on a regular basis. In the case of major cross cutting projects the portfolio holder will be responsible for making the decision on procurement at Cabinet and there is therefore a conflict in them being involved in the procurement process as part of the project board.
9. The elected member attendance is not in a decision making capacity, unless board members specifically request the member's view at a meeting to inform the decision making process.

### **Recommendations**

10. Members are recommended to:-

Note the points in this paper about the composition of project and programme boards and the roles played by elected members on these boards.

Reason: To ensure that the Members are informed on the composition of project boards, as requested by the Committee.



**Contact Details**

**Author:**

**Chief Officer Responsible for the report:**

**Dave Atkinson**

Transformation lead –  
Office of the Chief  
Executive

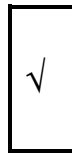
**Kersten England**

Chief Executive

Telephone: 01904 551000

Telephone: 01904 553481

**Report  
Approved**



**Date** 8/04/2014

**Specialist Implications Officers - None**

**Wards Affected:** Not applicable

**All**

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

**Annex of abbreviations**

**MSP – Managing Successful Programmes**

**Prince2 – Project management methodology**

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# Audit Strategy Memorandum

City of York Council – year ended 31 March 2014

April 2014



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Aykley Heads  
Durham  
DH1 5TS

Audit and Governance Committee  
City of York Council  
West Offices  
Station Rise  
York  
YO1 6GA

April 2014

Dear Members

**Audit Strategy Memorandum for the year ending 31 March 2014**

We are delighted to present our Audit Strategy Memorandum for City of York Council for the year ending 31 March 2014.

The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. It is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, and Appendix A summarises our considerations and conclusions on our independence as auditors.

We value two-way communication with yourselves and we see this document, which has been prepared following our initial planning discussions with management, as being the basis for a discussion through which we can also understand your expectations.

This document will be presented at the Audit and Governance Committee meeting on 16 April 2014. If you would like to discuss any matters in more detail please do not hesitate to contact me on 0191 383 6300.

Yours faithfully

Gareth Davies  
Partner, for and on behalf of Mazars LLP

Our reports are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party.

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# 01 Purpose and background

## Purpose of this document

This document sets out our audit plan in respect of the audit of the financial statements of City of York Council (the Council) for the year ending 31 March 2014, and forms the basis for discussion at the Audit and Governance Committee meeting on 16 April 2014.

The plan sets out our proposed audit approach and is prepared to assist you in fulfilling your governance responsibilities. The responsibilities of those charged with governance are defined as to oversee the strategic direction of the entity and obligations related to the accountability of the entity, including overseeing the financial reporting process.

We see a clear and open communication between ourselves and you as important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities;
- providing you with constructive observations arising from the audit process; and
- ensuring as part of the two-way communication process that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing the Council which might affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

Appendix C outlines the form, timing and content of our communication with you during the course of the audit. Appendix D sets out forthcoming accounting and other issues that will be of interest.

## Scope of engagement

We are appointed to perform the external audit of City of York Council for the year to 31 March 2014. The scope of our engagement is laid out in the Audit Commission's Code of Audit Practice for Local Government bodies.

## Responsibilities

The Audit Commission's Statement of Responsibilities of Auditors and of Audited Bodies sets out our respective responsibilities as the auditor and the audited body. The Audit Commission has issued a copy of the Statement to you. The Statement summarises where the different responsibilities of auditors and of the audited body begin and end and we undertake our audit work to meet these responsibilities.

We comply with the statutory requirements governing audit work, in particular:

- the Audit Commission Act 1998; and
- the Code of Audit Practice for Local Government bodies.

We, as auditors to the Council, are responsible for forming and expressing an opinion on the financial statements and reaching a conclusion on the arrangements you have put in place to secure economy, efficiency and effectiveness in the use of your resources (the Value for Money conclusion).

We are also required to report on the consistency of your Whole of Government Accounts submission with the audited financial statements. Our audit does not relieve management or the Audit and Governance Committee, as those charged with governance, of their responsibilities.

The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. In accordance with International Standards on Auditing (UK and Ireland) we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However, our audit should not be relied upon to identify all such misstatements.

As part of our audit procedures in relation to fraud, we are required to enquire of those charged with governance as to their knowledge of instances of fraud, the risk of fraud and their views on management controls that mitigate the fraud risks.

# 02 Audit scope, approach and timeline

## Audit scope

Our audit approach is designed to provide you with an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards of Auditing (UK and Ireland) and in accordance with the Code of Audit Practice for Local Government Bodies. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

## Audit approach

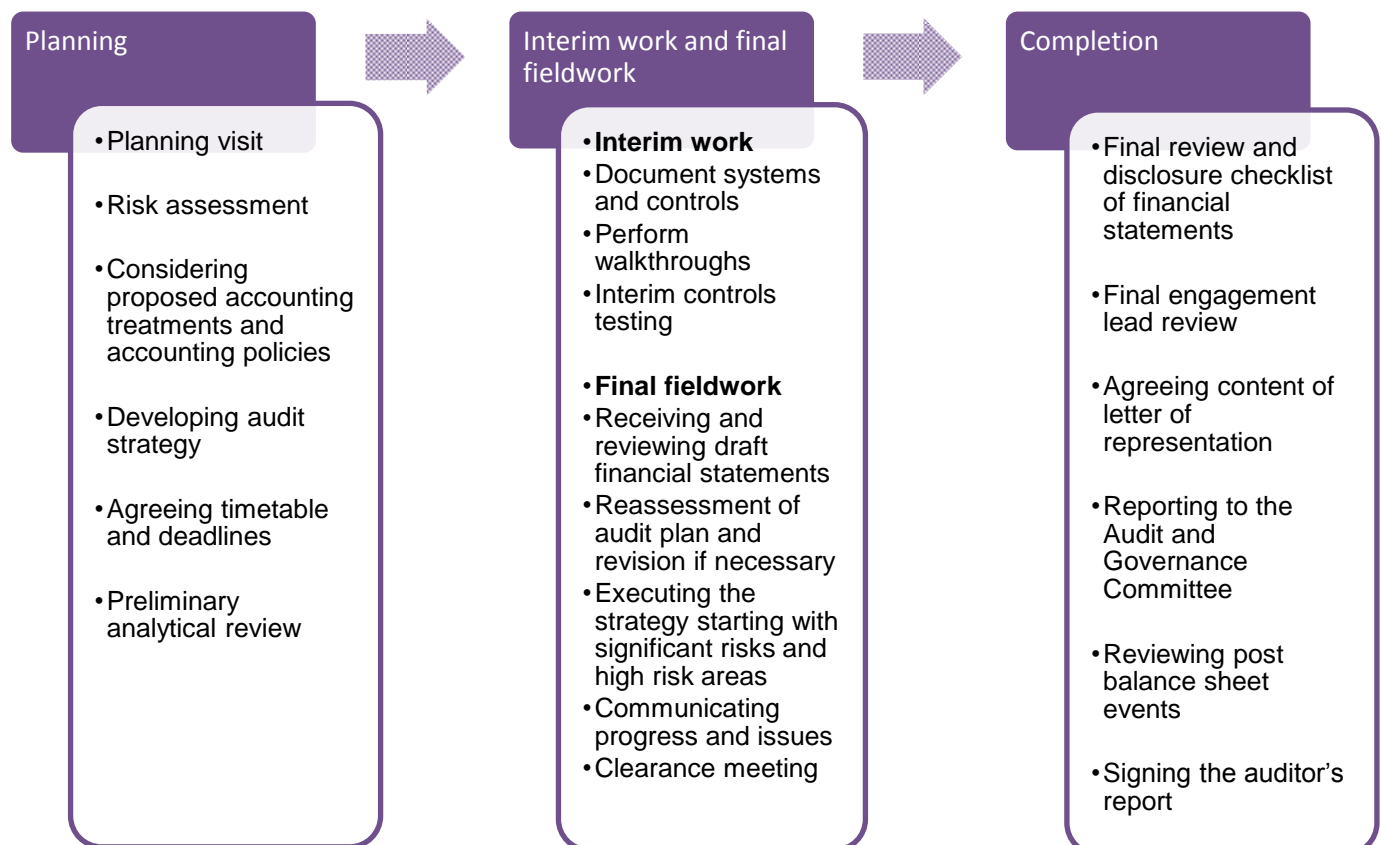
Our audit approach is a risk-based approach, primarily driven by the risks we consider to result in a higher risk of material misstatement of the financial statements. Once we have completed our risk assessment we develop our audit strategy and design audit procedures in response to this assessment. The work undertaken will include a combination of the following as appropriate:

- testing of internal controls;
- substantive analytical procedures; and
- detailed substantive testing.

If we conclude that appropriately designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free of material misstatement and give a true and fair view. Materiality and misstatements are explained in more detail in Appendix B.

The diagram below outlines the procedures we perform at the different stages of the audit.



**Reliance on internal audit**

Where possible we will seek to utilise the work performed by internal audit to modify the nature, extent and timing of our audit procedures. We will meet with internal audit to discuss the progress and findings of their work prior to the commencement of our controls evaluation procedures.

Where we intend to rely on the work on internal audit, we evaluate the work performed by the internal audit team and perform our own audit procedures to determine its adequacy for our audit.

We do not have any current plans to specifically rely on the work of Internal Audit.

**Reliance on other auditors**

We plan to place reliance on the work of another auditor in relation to pension entries, namely the auditor of the Pension Fund, Deloitte. We have agreed a work programme and timetable for the receipt of information with Deloitte.

**Service organisations**

We are required to assess whether there are any material entries in your financial statements where the Council is dependent on an external organisation. We call these entities service organisations. There are no such service organisations for the Council where we need to carry out special procedures.

**The work of experts**

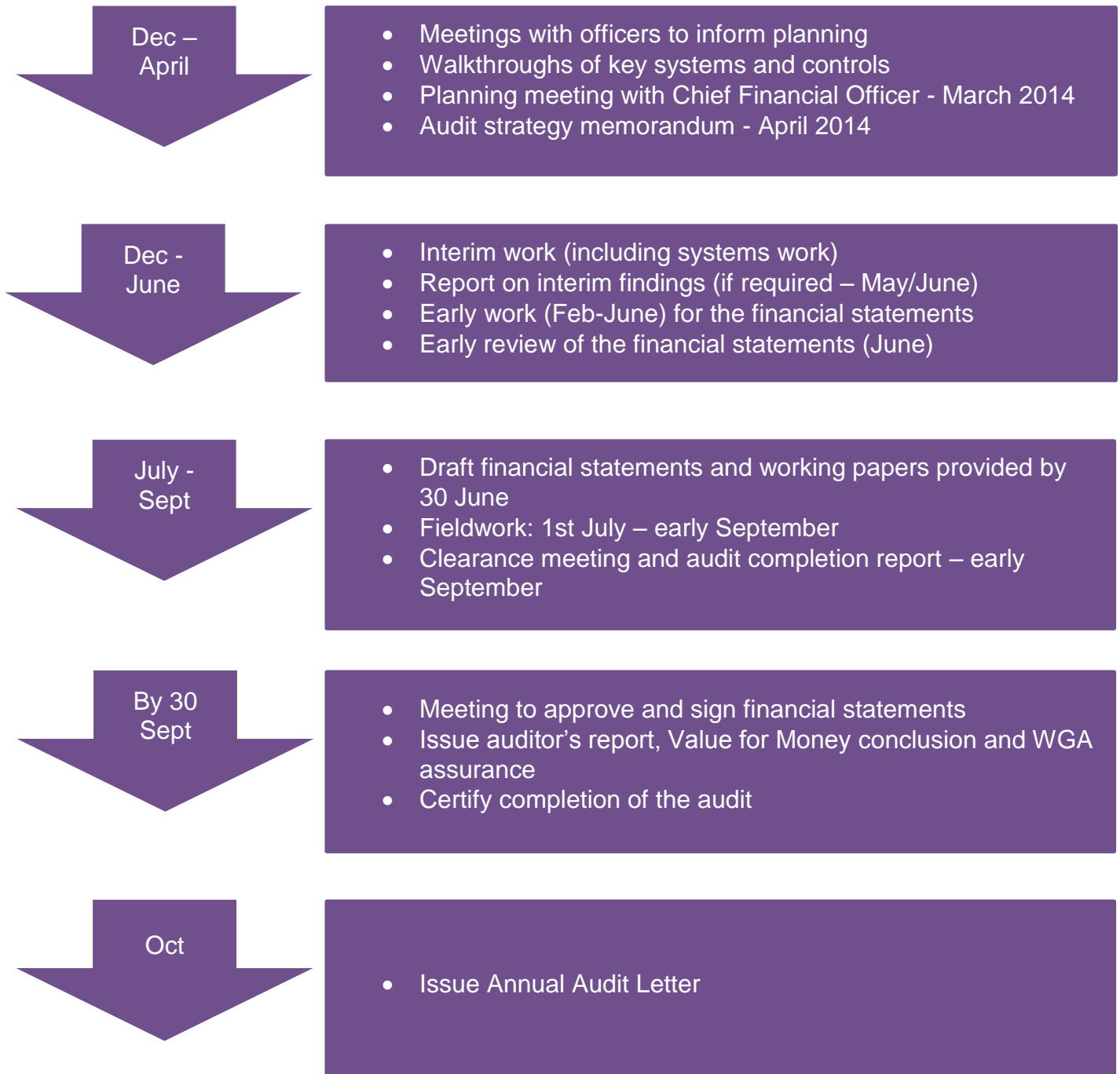
We plan to rely on the work of the following experts:

Items of account	Management's expert	Our expert
Asset valuations	Internal Valuer	Audit Commission's consulting valuer (Gerald Eve)
Pension liability	Actuary (Mercers)	Audit Commission's consulting actuary (PWC)



## Timeline

The diagram below sets out the timing of the key phases of our audit work. We will communicate with management throughout the audit process and will ensure significant issues identified are communicated to those charged with governance on a timely basis.



# 03 Significant risks and key judgement areas

We have performed our planning procedures, including risk assessment, as detailed in section 2. In addition, we met with management as part of the audit planning process to discuss the risks that, in management's opinion, the Council faces and have considered the impact on our audit risk. The risks that we identify as significant for the purpose of our audit are the risks of material misstatement that in our judgement require special audit consideration.

We set out below the significant audit risks and the areas of management judgement identified as a result of these meetings and planning procedures which we will pay particular attention to during our audit in order to reduce the risk of material misstatement in the financial statements.

## Significant audit risks

### Management override of controls

#### Description of the risk

Auditing standards state that management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits. This does not imply that we suspect actual or intended manipulation but that we approach the audit with due professional scepticism.

#### How we will address this risk

We have updated our understanding and evaluation of internal controls procedures as part of our audit planning, including completion of a fraud risk assessment. As part of this, we will seek written assurances from the Audit and Governance Committee and management on their controls and processes for assessing the risk of fraud in the financial statements and arrangements in place to identify, respond to and report fraud.

Our testing strategy for this significant risk due to fraud will include:

- journals recorded in the general ledger and other adjustments made in preparation of the financial statements;
- consideration and review of material accounting estimates impacting on amounts included in the financial statements;
- consideration and review of any unusual or significant transactions outside the normal course of business; and
- consideration of any other local factors.

### Revenue recognition

#### Description of the risk

Auditing standards include a rebuttable presumption that there is a significant risk in relation to the timing of income recognition and in relation to judgements made by management as to when income has been earned. Mazars' policy is that the scope to apply such a rebuttal is limited. As there is an inherent risk of fraud in revenue recognition we consider it to be a significant risk on all audits. This does not imply that we suspect actual or intended manipulation but that we continue to approach the audit with due professional scepticism.

#### How we will address this risk

We will evaluate the design and implementation of controls to mitigate the risk of income being recognised in the wrong period. In addition, we will undertake a range of substantive procedures including:

- testing receipts in March and April 2014 to ensure they have been recognised in the right year;
- testing adjustment journals; and
- obtaining direct confirmation of year-end bank balances and testing the reconciliations to the ledger.

## Expenditure recognition

### Description of the risk

Auditing standards include a rebuttable presumption that there is a significant risk in relation to the timing of expenditure recognition and in relation to judgements made by management as to when expenditure has been incurred. As there is a risk of fraud in revenue recognition we regularly consider it to be a significant risk. This does not imply that we suspect actual or intended manipulation but that we continue to approach the audit with due professional scepticism.

### How we will address this risk

We will evaluate the design and implementation of controls to mitigate the risk of expenditure being recognised in the wrong period. In addition, we will undertake a range of substantive procedures including:

- testing payments in March and April 2014 to ensure they have been recognised in the right year;
- testing adjustment journals; and
- obtaining direct confirmation of year-end bank balances and testing the reconciliations to the ledger.

## Pension entries (IAS 19)

### Description of the risk

The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.

### How we will address this risk

We will discuss with key contacts any significant changes to the pension estimates prior to the preparation of the financial statements. In addition to our standard programme of work in this area, we will:

- evaluate the management controls you have in place to assess the reasonableness of the figures provided by the actuary; and
- consider the reasonableness of the actuary's output, referring to an expert's report on all actuaries nationally which is commissioned annually by the Audit Commission.

## Key areas of management judgement

### Property, Plant and Equipment – depreciation, revaluations and impairments

#### Description of the area of judgement

Accounting standards and CIPFA's Code of Practice on Local Authority Accounting require that all property, plant and equipment are depreciated, unless there is a specific exception. There are also requirements to regularly revalue assets carried at fair value on the Council's balance sheet and to carry out impairment reviews.

These involve management judgements over the useful lives and valuations of assets.

#### Our planned audit approach

We will evaluate the design and implementation of controls in respect of depreciation, revaluations and impairments as part of our walkthrough of the property, plant and equipment system.

In addition, we will undertake a range of substantive procedures including:

- substantive sample testing of depreciation, revaluations and impairments per the disclosure note to the financial statements;
- review and evaluation of the work of the in-house valuer, including the valuer's report; and
- consideration of regional valuation trends.

# 04 Value for Money Conclusion

We are required to reach a conclusion on your arrangements to secure economy, efficiency and effectiveness in the use of your resources.

Our conclusion on your arrangements is based on two criteria, specified by the Audit Commission:

- financial resilience – focusing on whether you are managing your financial risks to secure a stable financial position for the foreseeable future; and
- economy, efficiency and effectiveness – focusing on whether you are prioritising your resources within tighter budgets and the need to improve productivity and efficiency.

We set out below the significant risks that we will address through our work.

## VFM risks

### Description of the risks

The Council faces financial pressures from reduced funding and continues to identify plans to deliver future savings. Without robust budgetary control and delivery of its action plans, the Council's financial resilience and service performance could deteriorate.

### How we will address these risks

We will review budget monitoring and reporting, focusing on areas where action plans are in place to make savings and seek to minimise any adverse impact on services. We will review VFM profiles and the plans that are developed to deliver future savings, including those being developed through the Council's transformation programme.

# 05 Your audit team

Below are your audit team and their contact details.

Engagement lead  
(Partner)

- Gareth Davies
- Tel: 0191 383 6300 or 07979 164 467
- Email: Gareth.davies@mazars.co.uk

Engagement Senior  
Manager

- Gavin Barker
- Tel: 0191 561 1917 or 07896 684 771
- Email: gavin.barker@mazars.co.uk

Team Leader (Assistant  
Manager)

- David Hurworth
- Tel: 0191 383 6300 or 07881 511 077
- Email: david.hurworth@mazars.co.uk

## 06 Fees for audit and other services

Our audit fees for the audit of the financial statements and for any assurance or other services are outlined in the tables below.

Area of work	2013/14 Proposed Fee	2013/14 Scale Fee	2012/13 Actual Fee
Code audit work	£134,406	£134,406	£134,406
Certification work	£19,000	£19,000	£23,273
<b>Total fee</b>	<b>£153,406</b>	<b>£153,406</b>	<b>£157,679</b>

### Non-audit services

We have carried out a review of budget management in adult social care as a non-audit service for the Council, as summarised below:

Non-audit services	2013/14 Actual Fee	2012/13 Actual Fee
Review of Budget Management in Adult Social Care	£21,000	£0

# Appendix A – Independence

We are required by the Financial Reporting Council to confirm to you at least annually in writing that we comply with the Auditing Practices Board's Ethical Standards. In addition we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

- all partners and staff are required to complete an annual independence declaration;
- all new partners and staff are required to complete an independence confirmation and also complete computer based ethical training;
- rotation policies covering audit engagement partners and other key members of the audit team who are required to rotate off a client after a set number of years; and
- use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement lead.

We wish to confirm that in our professional judgement, as at the date of this document, we are independent and comply with UK regulatory and professional requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Gareth Davies, Engagement Lead.

Prior to the provision of any non-audit services the Engagement Lead will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence.

No threats to our independence and associated safeguards have been identified.

# Appendix B - Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole.

Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- have a reasonable knowledge of business, economic activities and financial statements;
- have a willingness to study the information in the financial statements with reasonable diligence;
- understand that financial statements are prepared, presented and audited to levels of materiality;
- recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit.

Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We have set materiality at the planning stage at £8,527,000 with a clearly trivial threshold of £255,000 below which identified errors will not usually be reported. We have set lower materiality levels for the disclosure of officer remuneration and emoluments, members' allowances and the audit fee as we consider these items to be of specific interest to users of the accounts sufficient to warrant audit procedures which would not otherwise be applied based on the materiality level for the audit as a whole. The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

We discuss with management any significant misstatements or anomalies that we identify during the course of the audit and we report in our Audit Completion Report all unadjusted misstatements we have identified other than those which are clearly trivial, and obtain written representation that explains why these remain unadjusted.



# Appendix C – Key communication points

ISA 260 'Communication with Those Charged with Governance' and ISA 265 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' require us to communicate a number of points to you.

Relevant points that need to be communicated to you at each stage of the audit are outlined below.

## **Form, timing and content of our communications**

We will present to the Audit and Governance Committee the following reports:

- our Audit Strategy Memorandum;
- our Audit Completion Report; and
- Annual Audit Letter.

These documents will be discussed with management prior to being presented to the Audit and Governance Committee and their comments will be incorporated as appropriate.

## **Key communication points at the planning stage as included in this Audit Strategy Memorandum**

- our responsibilities in relation to the audit of the financial statements;
- the planned scope and timing of the audit;
- significant audit risks and areas of management judgement;
- our independence;
- responsibilities for preventing and detecting errors;
- materiality; and
- fees for audit and other services.

## **Key communication points at the completion stage to be included in our Audit Completion Report**

- significant deficiencies in internal control;
- significant findings from the audit;
- significant matters discussed with management;
- our conclusions on the significant audit risks and areas of management judgement;
- unadjusted misstatements;
- management representation letter;
- our proposed draft audit report; and
- independence.

# Appendix D – Forthcoming accounting and other issues

The 2013/14 CIPFA Code of Practice on Local Authority Accounting (the Code) has made several changes, of which you should be aware. Officers from the Council's finance function attended workshops that provided full details of the changes in the 2013/14 Code, as well as a forward look to potential future accounting changes that may be of relevance to the Council. If you require detailed information on any of these changes or any other emerging issues, please contact any member of the engagement team.

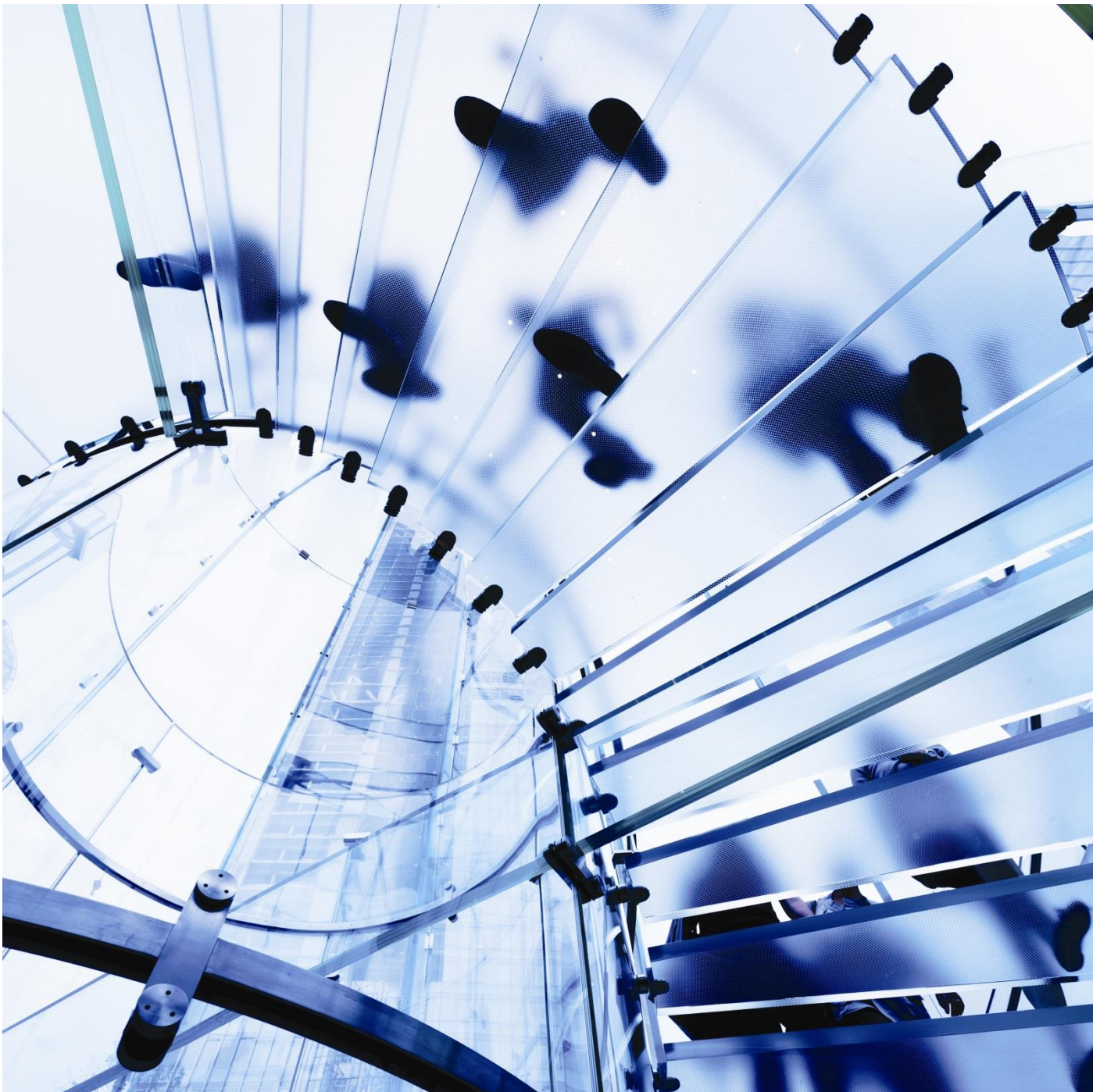
## Forthcoming accounting issues

PFI/PPP arrangements	How this may affect the Council
The 2013/14 Code includes augmented provisions on service concession (PFI/PPP) arrangements. This clarifies that accounting requirements in respect of PFI assets under construction.	Potential for the recognition point for PFI assets (and associated liabilities) to be earlier than in previous years where the recognition criteria in section 4.1 of the Code have been met.
Employee benefits	How this may affect the Council
The Code includes changes as a result of the adoption of the amended IAS 19 Employee Benefits.	<p>The main potential impacts of the changes are:</p> <ul style="list-style-type: none"> <li>• changes in terminology used for some entries in the Council's Comprehensive Income and Expenditure Statement and disclosure notes;</li> <li>• minor changes to the recognition point for termination benefits that may either delay or bring forward the recognition of expenses such as redundancy payments;</li> <li>• significant changes to the format and content of relevant disclosure notes; and</li> <li>• changes to the classification, recognition and measurement of post-employment benefits.</li> </ul> <p>Where these changes have a material impact on the financial statements, it is likely the Council will need to restate their 2012/13 comparative entries.</p>
Business rates appeals	How this may affect the Council
As a result of the introduction of the business rates retention scheme from 1 April 2013, local authorities are now responsible for meeting a proportion of the costs of successful rating appeals from local businesses.	It is likely that the Council will recognise a provision in its financial statements to recognise the cost of funding future successful rating appeals by local businesses.

# City of York Council

## Certification of claims and returns

Work Plan 2013/14



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Our reports are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party.

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# 01

## Introduction

Various grant-paying bodies require external certification of claims for grant or subsidy and returns of financial information. The way in which we certify a claim or return is dependent on whether it is within the Audit Commission Regime.

### Claims and returns within the Audit Commission regime

The Audit Commission makes certification arrangements with grant-paying bodies, including confirming which claims and returns require certification and issuing certification instructions. These instructions are tailored to each scheme and set out the specific procedures to be applied in examining the claim or return. The Audit Commission agrees the deadline for submission of each claim by authorities and the deadline for certification by auditors.

City of York Council receives more than £300 million funding from various grant-paying government departments. These departments attach conditions and restrictions to these grants which the Council must meet otherwise funding may be withdrawn or clawed-back.

It is therefore important that the Council can demonstrate that it:

- has put in place adequate arrangements to prepare and authorise each claim and return; and
- can evidence that it has met the terms and conditions put in place by the grant paying body for each claim and return.

As the Council's appointed external auditor, we undertake grant certification work acting as an agent of the Audit Commission.

### Claims and returns outside the Audit Commission regime

From time to time, we can also be requested to provide reports on claims and returns which do not fall within the Audit Commission regime. Where this is the case we are not provided with certification instructions. Instead, engagement terms are agreed with the Council for each claim or return before work commences. The engagement terms include the work to be undertaken which is based on the grant conditions specified by the grant paying body. At the conclusion of our work we provide a report which details the tests undertaken, and the results of that testing.

We were not requested by the Council to carry out this type of work during 2012/13, but we are aware that there may be a request to carry out work on s256 agreements with Clinical Commissioning Groups/NHS England in the 2013/14 audit year.



# 02

## Certification arrangements (claims within Audit Commission regime)

The Audit Commission's certification arrangements are designed to be proportionate to the claim or return. The arrangements for 2013/14 are:

- For claims and returns below £125,000 certification is not required by us, regardless of any statutory certification requirement or any certification requirement set out in grant terms and conditions.
- For claims and returns between £125,000 and £500,000, we are required to perform limited tests to agree entries on the claim or return to underlying records, but are not required to undertake any testing of the eligibility of expenditure or data.
- For claims and returns over £500,000, we are required to test the the control environment the Council has put in place for preparing the claim and decide whether we can place reliance on these arrangements. Where we can place reliance on the Council's arrangements we undertake limited testing to ensure that entries on the claim form agree with underlying records but do not undertake any testing of the eligibility of expenditure or data. Where reliance is not placed on the control environment, we are required to undertake all the tests in the relevant certification instruction and use our assessment of the control environment to inform decisions on the level of testing required.

In determining whether we place reliance on the control environment, we consider other work we have undertaken on the Council's general ledger and any other relevant systems, and make appropriate use of relevant internal audit work where possible.

## 03

## Role of all parties

### Claims and returns within the Audit Commission regime

The table below summarises the respective roles and responsibilities of the parties involved in the certification process.

Party	Role and Responsibility
Grant paying body	Sets conditions of grant and deadline for submission for pre-certified and certified claims.
Audit Commission	Issues certification instructions for auditor work.
Council	Submits claims for certification to the appointed auditor within grant paying body submission deadlines.
Appointed Auditor	Certifies claims in accordance with Audit Commission certification instructions and within certification deadlines.

### Claims and returns outside the Audit Commission regime

The table below summarises the respective roles and responsibilities of the parties involved in the reporting process.

Party	Role and Responsibility
Grant paying body	Sets conditions of grant and deadline for submission for pre-certified and certified claims.
Council	Submits claims for review to the reporting accountant within grant paying body submission deadlines.
Reporting Accountant	Reviews claims in line with grant conditions and within reporting deadlines.

# 04

## Role of the Council

The Council's role for all claims and returns is set out in more detail below:

- The Director of Customer and Business Support Services is responsible for ensuring that supporting accounting records are sufficient to document the transactions for which claims are made. These records should be maintained in accordance with proper practices and kept up to date, including records of income and expenditure in relation to claims and returns
- The Council should ascertain the requirements of schemes at an early stage to allow those responsible for incurring eligible expenditure to assess whether it falls within the scheme rules and to advise those responsible for compiling claims and returns to confirm any entitlement
- The Council should ensure all deadlines for interim and final claims are met to avoid sanctions and penalties from grant paying bodies
- Grant-paying bodies usually require the Council's certificate to be given by an appropriate senior officer. This is typically the Director of Customer and Business Support Services or an officer authorised by written delegated powers
- The Council should monitor arrangements with any third parties involved in the certification process.



# 05

## Managing the process - Our Role

### Certification of claims and returns within the Audit Commission regime

- We intend to certify all claims and returns in accordance with the deadlines set by the Audit Commission. If we receive any claims after the Council's submission deadline, we will endeavour to certify them within the Audit Commission deadline but, where this is not possible, within three months from receipt.
- A copy of each certified claim or return will be sent to the relevant named contact when the certification process is complete, along with a copy of the qualification letter, where applicable.
- Copies of the certification instructions can be provided on request for any new claims or returns.
- We expect to complete the certification of all claims by late 2014 and will issue a grant certification report highlighting any issues that need to be brought to the Council's attention by the end of February 2015.

### Reporting on claims and returns outside the Audit Commission regime

- Where commissioned to undertake this work by the Council, we will report on all claims and returns in accordance with the deadlines set by the grant paying bodies. If we receive any claims after the grant paying bodies' submission deadline set for the Council, we will endeavour to report within the deadline set for the reporting accountant but, where this is not possible, within three months from receipt of the claim.
- Depending on the nature of the scheme, our report may be to the Council (for forwarding to the grant paying body) or for the grant paying body directly.
- A copy of each report will be sent to the relevant named contact when reporting process is complete.

# 06

## Reporting

### Claims and returns within the Audit Commission regime

On completion of the specified work we issue a certificate, the wording of which depends on the level of work we have performed on each claim. The certificate states whether the claim has been certified either

- without qualification
- without qualification following agreed amendment by the Council; or
- with a qualification letter.

Where a claim is qualified because the Council has not complied with the strict requirements set out in the certification instruction, there is a risk that grant-paying bodies will retain funding claimed by the Council or claw back funding which has already been provided or has not been returned.

In addition, where claims or returns require amendment or are qualified, this increases the time taken to undertake this work, which may impact on the certification fee.

### Claims and returns outside the Audit Commission regime

On completion of the work agreed with the Council in the engagement terms we issue an accountant's report, the wording of which depends on the work we have performed on each claim.

Where issues of non compliance with grant terms and conditions have been identified these are highlighted in our report. As for claims within the Audit Commission regime, this could result in retention or clawback of funding.

Where issues are identified or amendments are required this increases the time taken to review the claim, which may result in additional fees being charged.

# 07

## Fees

### Claims and returns within the Audit Commission regime

The Audit Commission sets an indicative scale fee for grant claim certification. The 2013/14 fee is based on 2011/12 actual certification fees for each Council, adjusted for savings arising from the Commission's outsourcing of work.

The claims and returns indicative scale fee for 2013/14 is £19,000:

- Housing and Council Tax Benefit subsidy (BEN01) £17,696;
- Pooling of housing capital receipts return (CFB06) £409; and
- Teachers Pensions (PEN05) £895.

NNDR (LA01) was removed from the Commission's certification regime for 2013/14.

These fees are based on the following assumptions:

- there will be no change in the scope of our work due to the control environment in place during the year
- the Council provides adequate working papers to support each entry in the claim/return
- the Council's staff are available to deal with our queries in a timely manner and provide such explanations and supporting evidence necessary to support entries.

Where there is a variation from these assumptions, for example due to changes in the claims being audited, we will discuss a variation to the indicative scale fee with the Council and the Audit Commission.

If an additional claim or return under the Audit Commission regime is required in 2013/14 to those set out above, this will be at an additional fee to be agreed with the Council and also requiring approval by the Audit Commission. In 2012/13 one such additional claim was 'Local Transport Plan – Major Projects' which was carried out at an additional fee of £2,323. If, as expected, this return requires certification again, an additional fee will need to be agreed.

Appendix A sets out the claims we expect to receive in 2013/14, key deadlines and the outcomes from last year's audit.

## **Claims and returns outside the Audit Commission regime**

Fees for claims and returns outside of the Audit Commission regime will be based on an estimate of the hours taken to complete the work. This takes into consideration such factors as the complexity and value of the claim, and any issues identified in previous years. The fees are subject to agreement with the Council.

We were not requested by the Council to carry out this type of work during 2012/13, but we are aware that there may be a request to carry out work on s256 agreements with Clinical Commissioning Groups/NHS England this year. Consequently, s256 agreements are highlighted in Appendix A.

# 08

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# Appendix A

Summary of expected claims & returns for the year ended 31 March 2014

## Within the Audit Commission Regime

Claim or return	Authority deadline	Certification deadline	Claim Certified in prior year	Prior year outcome
BEN01 Housing and Council Tax Benefits Subsidy	30/4/14	30/11/14	Yes	Claim amended and qualified
PEN05 Teachers Pensions Return	30/6/14	28/11/14	Yes	Claim amended and qualified
CFB06 Pooling of Housing Capital Receipts	27/6/13	26/9/14	Yes	Claim not amended or qualified
TRA 11 Local Transport Plan – Major Projects	30/9/14	31/12/14	Yes	Claim not amended or qualified

## Outside the Audit Commission Regime

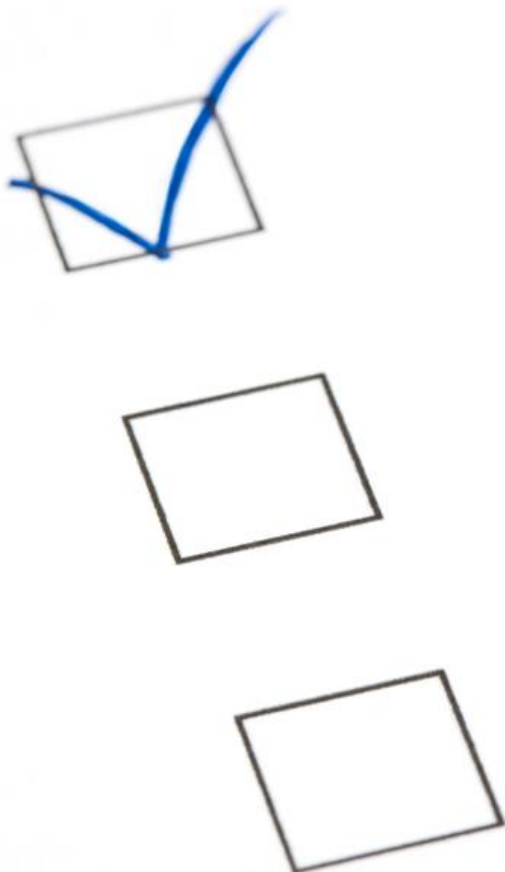
Claim or return	Authority deadline	Reporting deadline	Claim Certified in prior year	Prior year outcome
S256 agreements - various	30/9/14	31/12/14	No	New returns for 2013/14

# City of York Council



## Audit Progress Report

April 2014



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- 01 Purpose of this paper
- 02 Summary of audit progress
- 03 Emerging issues and developments
- 04 Contact details

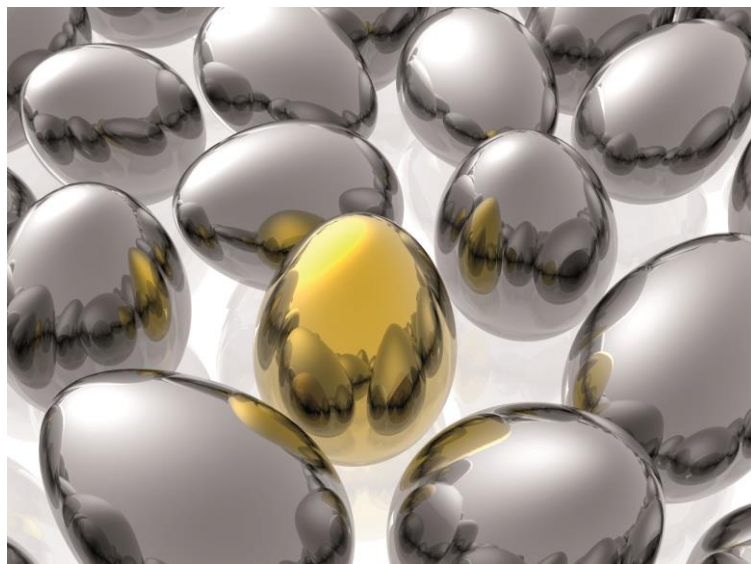
Our reports are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.

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# 01

## Purpose of this paper



The purpose of this paper is to update the Audit and Governance Committee on progress in meeting our responsibilities as your external auditor. We also include in this paper key emerging national issues and developments which may be of interest to members of the Committee.

If you need any additional information please contact Gareth Davies or Gavin Barker using the contact details at the end of this update.

# 02

## Summary of audit progress



We have now completed our audit planning and our Audit Strategy Memorandum is also on the agenda for this meeting. This document sets out the risks we have identified for both the opinion on the financial statements and the value for money conclusion, and our overall approach to the audit.

Our detailed work is now well underway.

In February 2014, Mazars provided a workshop for finance staff on accounting and auditing issues relating to the closedown and preparation of the 2013/14 statement of accounts. These workshops were well attended and well received by our clients. The Council's officers were represented at the workshop.

## **Opinion audit**

We have given a presentation to key members of the Accountancy team on our agreed Audit Opinion Protocol and Project Plan.

We continue to meet regularly with officers to discuss technical issues, and complete our early audit work. We have discussed emerging technical issues such as accounting for NNDR appeals and changes in accounting for schools, and also issues raised by officers such as the assessment that group accounts are not required this year and the approach to frequency of asset valuations.

This process continues to work well and we are grateful for the cooperation of officers.

## **Issues raised by members of the public**

A number of issues have been raised with us by members of the public. Where these are relevant to the audit, we are in the process of following them up with officers. If there are any matters arising from our follow up work, we will report these to the Audit and Governance Committee in due course.

# 03

## Emerging issues and developments



The following pages outline for your attention some significant emerging issues and developments:

- Future of Local Audit: Consultation on Secondary Legislation, DCLG – Responses to the Consultation
- The Local Audit and Accountability Act 2014 received Royal Assent on 30 January 2014. We have attached a two page summary briefing to this report.

# Emerging issues and developments

Issue / development	Implications
<p><b>Future of Local Audit: Consultation on Secondary Legislation, DCLG – Responses to the Consultation</b></p> <p>As discussed at the February 2014 Committee meeting, this consultation included whether the local authority accounts production timetable should be brought forward.</p> <p>The results of the consultation have now been published and the responses in relation to the accounts timetable are reproduced below.</p>	<p>If the accounts timetable is brought forward this would impact on the Authority's accounts production processes.</p> <p>The responses to the consultation can be found at:  <a href="https://www.gov.uk/government/consultations/future-of-local-audit-consultation-on-secondary-legislation">https://www.gov.uk/government/consultations/future-of-local-audit-consultation-on-secondary-legislation</a></p>

5.12 Question 16 sought views on whether to bring forward the local government accounts timetable and what practical issues this change might raise. Many respondents provided detailed replies, and we are particularly grateful for the information on the practical implications of implementing such a change. A small

number of local authorities and accounting organisations either simply supported an advance of the timetable, or agreed in principle that it was desirable. But most respondents were opposed to a change, or argued that now was not an appropriate time. In many cases opposition was based on a view that the additional work involved in earlier publication could not be justified when public interest in the accounts was so limited and authorities were under financial pressure. Another concern raised was that earlier publication would be achieved at the expense of accuracy, unless additional resources could be devoted to the task.

5.13 A number of more specific practical issues were raised. Many respondents drew attention to the phasing of external audit work that is now possible, with NHS audits undertaken first and then local authority audits. An advance of the local government timetable would compress the auditors' work programme, resulting in extra costs that might be passed on in higher audit fees. Some respondents made a link with the issue of simplification of the accounts raised in responses to question 15 which might assist an advance in the timetable. Reference was also made to some significant accounting developments in prospect in the next few years, such as changes in the valuation of transport infrastructure assets, which would be difficult to achieve when an authority was adjusting to a tighter timetable. Respondents supported the proposal to give notice of a change at least 12 months before the beginning of the year, in some cases recommending a longer period.

Source: DCLG, Consultation on secondary legislation, summary of responses, 10 March 2014

# The Local Audit and Accountability Act 2014

## *A summary guide for Audit Committee members*

### Introduction

On 30<sup>th</sup> January 2014 the Local Audit and Accountability Act 2014 (the Act) received Royal Assent.

The Act sets out fundamental reforms to the local audit regime. The Audit Commission will close on 31 March 2015 and a residuary body will oversee the audit contracts let by the Commission until they expire.

The new responsibility of local public bodies to appoint their own auditor will come into effect on the expiry of the existing Audit Commission contracts, and those contracts currently out to tender. It has yet to be determined whether these new contracts will be for 2 or 5 years, so the new arrangements will take effect from either the 2017/18 accounts or the 2020/21 accounts.

Although the Act provides an overall framework for the new local audit regime, much of the detail underpinning these fundamental changes will not be provided until the Secretary of State makes regulations to specify certain provisions.

In addition to changes affecting audit, the Act enables the Secretary of State to direct bodies to comply with the code of practice on local authority publicity, something bodies were previously required to have regard to. It also extends the council tax referendum provisions introduced in the Localism Act. This leaflet focuses on the audit changes.

The purpose of this briefing is to provide members with a summary of the principal provisions of the Act and to give an initial view of the impact that the Act may have on the audit of local government bodies.

### What are the key provisions?

#### Audit appointments

The Act sets out a new framework which requires local public bodies to appoint their own auditors. Appointments for any given financial year will have to be made by 31 December of the preceding financial year.

Bodies will be required to appoint their auditors at least once every 5 years and will be required to publish information about the appointment within 28 days of making the appointment.

#### Independent Audit Panels

With the exception of chief constables, relevant authorities are required to establish an 'Independent Audit Panel'. It will be the responsibility of the Panel to advise the body on the selection and appointment of an auditor. The Panel will also be required to monitor and maintain the independence of the auditor.

At some point in the future, the Secretary of State may make regulations that provide additional guidance on the role of the Panel or impose further requirements that are not contained within the Act itself.

The Act stipulates that Panels must:

- consist of a majority of independent members (or wholly of independent members); and
- be chaired by an independent member.

The Act provides further details on the criteria of an independent member. You are unlikely to qualify as an independent member if you have:

- been a recent member or officer of the body;
- been a recent member or officer of an entity connected with the body; or
- a relative who is a member or officer of the body.



## Collective Procurement

The Act allows bodies to procure audit services collectively by enabling the Secretary of State to make provision for the appointment of an auditor by an 'appointing person'. This is in response to the view that collective procurement may be more cost effective and efficient for bodies.

## Auditor eligibility

Schedule 5 to the Act provides details on who can act as a local auditor. It states that individuals or firms that were qualified to act as appointed auditors under the Audit Commission Act 1998 will continue to hold the relevant qualifications required to carry out local audits under the Act.

The Secretary of State will have the ability to make regulations that change who can be considered eligible as a local auditor.

## Auditor responsibility

The primary functions of the auditor will be largely unchanged, i.e. provision of:

- an opinion on the accounts (i.e. the accounts present a true and fair view and have been produced in accordance with proper practice); and
- a conclusion that the body has arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

## Joint audits

The Act allows bodies to appoint joint auditors however it does not explain how this will work in practice. It may be possible, for example, for one auditor to carry out the value for money conclusion work and another auditor complete the audit of the statement of accounts.

## Role of the National Audit Office (NAO) and other bodies

The Act outlines how Audit Commission functions will be transferred to other bodies:

- the NAO will maintain a Code of Audit Practice and supporting guidance for auditors;
- the NAO will also carry out thematic value for money examinations; and
- the Cabinet Office will be responsible for data matching including the National Fraud Initiative.

## Rights of electors

The Act adopts the majority of the provisions of the Audit Commission Act 1998 in respect of the rights of the public to:

- inspect the statement of accounts;
- inspect documents and records which relate to the year of audit; and
- make an objection to the local auditor.

## Mazars and local audit

Mazars is committed to the provision of high-quality, specialised local audit and advisory services to local authorities, pension funds, blue-light organisations and health bodies. Our aim is to be the auditor of choice for public service bodies.

## Please get in touch

This briefing provides a summary of the impact of the Local Audit and Accountability Act. If you would like further information on how the Act is likely to affect your body and how we can support you in your transition to the new arrangements for public audit, please contact one of the team.

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# 04

## Contact details



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**Audit and Governance Committee****16 April 2014**Report of the Head of Internal Audit

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**Internal audit, counter fraud & information governance plan 2014/15**

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**Summary**

- 1 This report seeks the committee's approval for the planned programme of audit, counter fraud and information governance work to be undertaken in 2014/15.

**Background**

- 2 The council's internal audit service has to comply with the Public Sector Internal Audit Standards, and the council's own Internal Audit Charter. The standards and charter require that the Head of Internal Audit gives an annual opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. The basis for the opinion is the programme of work that internal audit carries out. An indicative risk based audit plan is drawn up at the start of each year, setting out what work will be done. The plan is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit.

**2014/15 Plan**

- 3 Annex 1 sets out proposed internal audit, counter fraud, and information governance work for 2014/15. The planned audit work is based on a risk assessment undertaken by Veritau. The plan is also informed by discussions with chief officers and members, risk management arrangements, and by plans for development and change within the council. Separate analyses of requirements for counter fraud and information governance work are also undertaken.

- 4 Total planned days for 2014/15 are 2,653. This is 88 days less than 2013/14, which reflects a reduced requirement by the council. The reduction of 88 days affects information governance services. There is no reduction this year in planned levels of internal audit work.
- 5 The 2014/15 plan is similar in focus to previous years. It recognises the continuing change taking place within the council. Veritau will continue to provide support, advice and challenge in relation to major projects in addition to overall plans to meet current needs (eg to achieve savings targets). In addition, the plan reflects the continued need to look at key corporate systems, and to undertake regularity work in areas such as the main financial systems.

### **Consultation**

- 6 In preparing the audit, counter fraud and information governance plan consultation has taken place with the Audit and Governance Committee and key officers across the council.

### **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, counter fraud, and information governance supports 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 Public Sector Internal Audit Standards if the plan is not approved by the committee, and it may be subject to increased scrutiny and challenge.

**Recommendation**

12 Members are asked to

- approve the 2014/15 internal audit, counter fraud and information governance plan.

Reason

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

**Contact Details**

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Veritau Ltd  
Telephone: 01904 552940

**Chief Officer Responsible for the report:**

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

**Report  
Approved**



**Date** 03/04/2014

**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 – 2014/15 Internal Audit, Counter Fraud & Information Governance Plan

**CITY OF YORK COUNCIL  
INTERNAL AUDIT AND COUNTER FRAUD PLAN 2014/15**





**Annual Plan 2014/15**

**CONTENTS**

- 1 Introduction
- 2 2014/15 Audit Plan
- 3 Corporate & Cross Cutting Audits
- 4 Main Financial Systems
- 5 Directorate Audits
- 6 Counter Fraud & Corruption
- 7 Information Governance
- 8 Other Chargeable Audit Work

**City of York Council's Audit, Counter Fraud & Information Governance Service****Annual Plan 2014/15****1. INTRODUCTION**

- 1.1 This plan sets out the proposed 2014/15 programme of work for the internal audit, counter fraud, and information governance services provided by Veritau for the City of York Council.
- 1.2 In accordance with proper practice<sup>1</sup>, internal audit is required to prepare an indicative annual audit plan. The plan is based on a risk assessment model that is maintained by internal audit. The council's own risk management systems are also considered in forming a view on what audits to undertake. The audit plan is a working document, and changes are made throughout the year to reflect changes in risk and any issues that arise.
- 1.3 The content of the audit plan is subject to consultation with directors and other senior council officers, and is formally approved by the Audit and Governance Committee. The committee is responsible for monitoring progress against the plan. Changes to the plan are agreed through the council's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the council's external auditors, to ensure that there is no duplication of effort. Further details about the approach to audit planning can be found in the Audit Charter (approved by the Audit and Governance Committee in November 2013).

**2. 2014/15 AUDIT PLAN**

- 2.1 The ongoing financial pressures faced by the council and the consequent need to review and adapt services are major factors affecting systems and controls. Veritau's priority for the immediate future continues to be to help support the council maintain an effective control environment in these challenging times. The approach to audit planning for 2014/15 follows that adopted over the last few years by providing a balance between regularity audits in areas such as the main financial systems where the volume and value of transactions processed are significant and regular audit is essential; and other

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<sup>1</sup> Proper practice is set out in the Public Sector Internal Audit Standards and specific guidance on these standards for local government, issued by Cipfa. This includes a requirement for engagement with senior managers and members in the audit planning process.



**Annual Plan 2014/15**

reviews targeted towards areas of increased risk due to change. This includes:

- direct support to change projects - to provide advice and challenge on controls being implemented or changed, and project governance
- emphasis in other audit work on the appropriateness of control systems in the current climate, and key objectives to meet current needs (e.g. progress with savings plans).

2.2 Details of the 2014/15 plan are set out in sections 3 – 8 below.





## Annual Plan 2014/15

### 3. CORPORATE & CROSS CUTTING AUDITS

#### Days

#### **Annual Governance Statement & Governance Support**

20

Advice and support on corporate governance matters and support in preparing the council's annual governance statement.

#### **Asset Disposals**

20

A review of procedures for approval of and accounting for disposals of council assets.

#### **Budget Savings**

30

The audit will consider the controls in place related to the planning, monitoring and achievement of agreed budget savings, and the effectiveness of arrangements to manage risks relating to the budget.

#### **Data Quality**

25

An audit of systems for capturing key performance data, to ensure information used for management of the organisation is robust.

#### **Energy and Carbon Management**

25

This will include assurance work in relation to the CRC energy efficiency scheme and broader council initiatives relating to carbon management.

#### **Equalities**

15

A review of the council's plan for achieving an 'excellent' level of achievement with the Equality Framework for Local Government.



**City of York Council's Audit, Counter Fraud & Information Governance Service**

**Annual Plan 2014/15**

<b>Freedom of Information</b>	<b>10</b>
A Healthcheck of key controls for managing risks related to Freedom of Information requests following the full audit undertaken in 2013/14.	
<b>Health &amp; Safety</b>	<b>25</b>
A review of council arrangements for managing health and safety. The specific areas to be covered will be determined in consultation with officers.	
<b>Information Security</b>	<b>25</b>
A review of controls in place to manage key risks in relation to Information Security including data sharing, mobile working, data transfer and PSN compliance.	
<b>Information Security Checks</b>	<b>15</b>
A series of unannounced audit visits to council offices to ascertain the extent to which staff are recognising the need to protect sensitive and personal data and information assets.	
<b>New HR System</b>	<b>20</b>
Assurance work and support and advice in relation to the continuing roll-out of new iTrent modules.	
<b>Overtime</b>	<b>20</b>
A review of procedures across the council for the allocation, authorisation and record keeping relating to additional hours and overtime.	



City of York Council's Audit, Counter Fraud & Information Governance Service

**Annual Plan 2014/15**

<b>Procurement and Contract Management</b>	60
<p>A review of the arrangements within the council for procuring goods and services. This will encompass a number of separate audits including corporate procurement arrangements and individual reviews of specific procurement exercises and contract related issues. Priorities for audit will be determined in consultation with council officers during the year.</p>	
<b>Risk Management</b>	20
<p>A review of overall council risk management arrangements.</p>	
<b>Staff Lottery</b>	5
<p>A review of the operation and management of the council's staff lottery scheme. The scope of the review will include income collection, winner selection and use of the prize fund.</p>	
<b>Transformation Programme</b>	24
<p>An allocation of time to provide support and advice in relation to the council's Transformation Project. This may include consideration of overall monitoring and governance arrangements or specific pieces of work supporting particular aspects of the programme.</p>	
<b>Use of Interims, Specialists and Consultants</b>	20
<p>An audit of the policies and procedures applied across the council for engaging interims, specialists and consultants.</p>	
<b>TOTAL – Corporate &amp; Cross Cutting Audits</b>	<b>379</b>



## Annual Plan 2014/15

### 4. MAIN FINANCIAL SYSTEMS

#### Days

#### **Cashiers and Income Management**

20

A review of overall income management arrangements and the administrative processes for processing payments (including cash handling controls and security).

#### **Council Tax & NNDR**

25

A review of the systems for calculating Council Tax and NNDR liabilities, and the collection, recording and processing of payments.

#### **Council Tax Support and Housing Benefits**

30

A review of the arrangements for paying Housing Benefits, for administering the council tax support scheme, and for making awards under the York Financial Assistance Scheme (YFAS).

#### **Debtors**

20

A review of the systems for raising debtor invoices and collecting income, credit control, and debt recovery arrangements. This year's audit will include a specific review of the management of employee car loans.

#### **Housing Rents**

25

Reviews of the systems to collect, record, reconcile and monitor housing rents. The audit will also examine the arrangements for debt recovery.



City of York Council's Audit, Counter Fraud & Information Governance Service

**Annual Plan 2014/15**

<b>Main Accounting System</b>	<b>25</b>
<p>A review of the arrangements for managing and maintaining the financial ledger. The audit will include a review of:</p> <ul style="list-style-type: none"> <li>• access and back up arrangements</li> <li>• the integrity and timeliness of data</li> <li>• the processing of journals and virements</li> <li>• reconciling control and suspense accounts</li> <li>• the creation and maintenance of the coding structure</li> <li>• feeder systems</li> <li>• year end processes.</li> </ul>	
<b>Ordering and Creditor Payments</b>	<b>30</b>
<p>A review of the systems for ordering goods and services and processing creditor invoices. This will also include the council's use of procurement cards.</p>	
<b>Payroll</b>	<b>30</b>
<p>A review of payroll controls and processing.</p>	
<b>Treasury Management &amp; Prudential Code</b>	<b>8</b>
<p>A healthcheck review of treasury management systems.</p>	
<b>VAT Accounting</b>	<b>8</b>
<p>A review of key controls to ensure compliance with VAT accounting requirements.</p>	
<b>TOTAL – Main Financial Systems</b>	<b>221</b>



## Annual Plan 2014/15

### 5. DIRECTORATE AUDITS

#### Days

#### **Amenity Funds**

5

Provision for independent examination of amenity fund records and procedures maintained by social care establishments.

#### **CES – Development of Traded Services**

20

Support and advice in further developing traded services. Work may include specific value for money exercises and support with development of new controls.

#### **Changes resulting from the Children's Bill**

20

Provision to provide support in relation to the potential introduction of Direct Payments for Children's Social Care

#### **Children's Social Care Records**

10

Provision to provide support in relation to replacement of the RAISE system.

#### **Cleaning and Facilities Management**

15

A follow up of issues identified as part of 2013/14 audit work related to the allocation and monitoring of additional hours and overtime.

#### **IT Audit**

20

The specific areas to be covered will be determined in consultation with officers.



**City of York Council's Audit, Counter Fraud & Information Governance Service**

**Annual Plan 2014/15**

<b>Major Project Support Work</b>	<b>60</b>
<p>Allocation of time to provide support and advice to council projects. This will include a review of contract monitoring arrangements in relation to the new council social enterprises for the libraries and warden call services as well as support for other major projects.</p>	
<b>Nursery Education Grants</b>	<b>20</b>
<p>A review of payments to private nursery providers. This includes the audit of registration records at a sample of nursery establishments, to ensure claims for funding are correct.</p>	
<b>Personalisation, Direct Payments, &amp; Individual Budgets</b>	<b>25</b>
<p>This is a significant and wide-ranging programme of change with implications for all areas of adult social care. Audit work will include follow up of improvements made to monitoring the use of direct payments.</p>	
<b>Public Health</b>	<b>25</b>
<p>An review of controls in place to manage key Public Health risks including giving assurance over capacity to deliver the five statutory public health functions that the council is required to deliver.</p>	
<b>Right to Buy</b>	<b>20</b>
<p>An audit of the procedures in place for purchases of council properties under the Right to Buy scheme. This was an area identified for further audit work in the annual Fraud Risk Assessment.</p>	
<b>Safeguarding</b>	<b>30</b>
<p>A review of controls and governance arrangements in place to manage the key risks relating to safeguarding in Adults and Children's services.</p>	



**City of York Council's Audit, Counter Fraud & Information Governance Service**

**Annual Plan 2014/15**

<b>School Funding and Central Services for Schools</b>	<b>25</b>
<p>An audit of the arrangements for delivering central services to schools. This will include mechanisms for the allocation of funding, as well as for offering, providing and charging for additional services.</p>	
<b>Schools</b>	<b>120</b>
<p>A programme of visits to schools. The audits are undertaken in accordance with a detailed risk assessment.</p>	
<b>Street Based Services</b>	<b>15</b>
<p>A review of street based services. The specific areas to be covered will be determined in consultation with officers.</p>	
<b>TOTAL – Directorate Audits</b>	<b>430</b>





## Annual Plan 2014/15

### 6. COUNTER FRAUD & CORRUPTION

#### Days

#### Data Matching

176

Provision to coordinate data submission, check data validity, assess referrals, and investigate potential frauds in relation to:

- the National Fraud Initiative (NFI)
- Housing Benefit Matching Service (HBMS) referrals
- local data matching exercises.

#### Fraud Awareness

60

Provision to deliver an overall programme of work to raise awareness of fraud issues amongst staff and the public. Activities include targeted fraud awareness training and organising counter fraud publicity (both internal and external).

#### Fraud Detection and Investigation

945

Provision to undertake investigations into suspected fraud, corruption or other wrongdoing. Examples of the types of investigation work that may be undertaken include internal fraud, social services related fraud, benefit fraud and housing tenancy fraud. Activities include:

- recording and risk assessing all referrals
- investigation
- application of sanctions, and progressing cases to prosecution where appropriate
- liaison with the police, DWP and other agencies
- proactive, targeted, counter fraud exercises



## City of York Council's Audit, Counter Fraud &amp; Information Governance Service

**Annual Plan 2014/15****Other Counter Fraud Related Work** 70

Provision to provide other counter fraud and corruption work including:

- review of council counter fraud arrangements and policies
- the provision of support and advice to directorates in relation to fraud issues
- reporting on outcomes from counter fraud work.

**TOTAL – Counter Fraud & Corruption****1,251**



City of York Council's Audit, Counter Fraud & Information Governance Service

Annual Plan 2014/15

**7. INFORMATION GOVERNANCE**

**Days**

**Data Protection**

10

Provision of time to provide advice and support to senior management and directorates to ensure compliance with all aspects of Data Protection legislation. The allocation will also enable support to be provided to the council to respond to complaints made to the Information Commissioner's Office (ICO).

**Freedom of Information**

70

Provision of time to provide an independent quality assurance role to the council in respect of the Freedom of Information Act. This work will include undertaking reviews of specific complaints and sample testing to ensure that responses are adequate and comply with legislation and that all requests are responded to within the 20 day deadline. The allocation also enables support to be provided to the council to respond to complaints made to the ICO in respect of information requests.

**Information Governance Framework**

52

A provision of time to lead on the development and implementation of Information Governance policies and strategies across the council and to implement associated communication and roll out plans designed to ensure that the arrangements in place to manage and protect personal and confidential data are effective. Attendance at Corporate Information Governance Group will be required. There will also be regular meetings with relevant officers to ensure the framework is consistent with related HR and IT policies and strategies. The allocation also enables support to be provided to the council to the event of any data security breaches.

**TOTAL – Information Governance**

**132**



City of York Council's Audit, Counter Fraud & Information Governance Service

Annual Plan 2014/15

**8. OTHER CHARGEABLE AUDIT WORK**

**Days**

**Audit and Governance Committee**

20

Provision to prepare reports for the Audit and Governance Committee and attend meetings.

**Contingency Assignments**

90

Provision to undertake additional work in response to:

- specific requests from the Director of Customer and Business Support Services (the S151 Officer), Audit and Governance Committee, or the Assistant Director - Finance, Asset Management and Procurement
- new or previously unidentified risks which impact on Strategic Audit Plan priorities
- significant changes in legislation, systems or service delivery arrangements
- requests from customers to audit specific services, systems or activities usually as a result of weaknesses in controls or processes being identified by management
- urgent or otherwise unplanned work arising from fraud investigations which identify potential control risks.

**External Audit Liaison**

5

Provision for regular liaison and information sharing with Mazars.

**Follow Up Audits**

40

Provision to follow up previously agreed audit recommendations.

**Audit Planning**

20

Preparation and monitoring of audit plans.



**City of York Council's Audit, Counter Fraud & Information Governance Service**

**Annual Plan 2014/15**

**Support, Advice & Liaison**

65

Provision to provide ongoing advice and support on the design, implementation and operation of appropriate controls and for the overall management of audit work in each department.

**TOTAL – Other Chargeable Audit Work**

**240**

**TOTAL CHARGEABLE DAYS 2014/15**

**2,653**

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**Audit and Governance Committee**

16 April 2014

Report of the Head of Internal Audit

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**Audit & Counter Fraud Monitoring Report**

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**Summary**

- 1 This report provides an update on progress made in delivering the internal audit workplan for 2013/14 and on current counter fraud activity.

**Background**

- 2 The work of internal audit is governed by the Accounts and Audit (England) Regulations 2011 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the standards, periodic reports detailing the outcomes of internal audit work are presented to this committee.

**Internal Audit**

- 3 To date, internal audit has delivered 78% of the 2013/14 audit plan based on reports issued. This is slightly ahead of the position at this point last year (75%). It is anticipated that the 93% target for the year will be exceeded by the end of April 2014 (the cut off point for 2013/14 audits).
- 4 Details of the audits completed and reports issued since the last report to this committee in November 2013 are given in annex 1.
- 5 A number of variations to the audit plan have been approved by the Director of CBSS since November. Details are included in annex 2.

### **Counter Fraud**

- 6 Counter fraud work has been undertaken in accordance with the approved plan. Annex 3 provides a summary of the work undertaken.

### **Breaches of Financial Regulations**

- 7 A number of breaches of the council's financial regulations have been identified during the course of recent audit work. Details of these breaches are summarised in annex 4. None of the breaches represent significant issues.

### **Consultation**

- 8 Not relevant for the purpose of the report.

### **Options**

- 9 Not relevant for the purpose of the report.

### **Analysis**

- 10 Not relevant for the purpose of the report.

### **Council Plan**

- 11 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**

- 12 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**

- 13 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**

- 14 Members are asked to:
- (a) Note the progress made in delivering the 2013/14 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:**

Ian Floyd  
Director of CBSS  
Telephone: 01904 551100

**Report  
Approved**



**Date** 3/4/14

**Specialist Implications Officers**

Not applicable

**Wards Affected:** Not applicable

**All**

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

## **Background Papers**

- 2013/14 Internal Audit, Counter Fraud, and Information Governance Plan

## **Annexes**

Annex 1 – 2013/14 Audits Completed and Reports Issued

Annex 2 – Variations to the Audit Plan

Annex 3 – Counter Fraud Activity

Annex 4 – Breaches of Financial Regulations

**AUDITS COMPLETED AND REPORTS ISSUED**

The following categories of opinion are used for audit reports.

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

Actions to address issues are agreed with managers where weaknesses in control are identified. The following categories are used to classify agreed actions.

<b><u>Priority</u></b>	<b><u>Long Definition</u></b>	<b><u>Short Definition – for use in Audit Reports</u></b>
1 (High)	<p>Action considered both critical and mandatory to protect the organisation from exposure to high or catastrophic risks. For example, death or injury of staff or customers, significant financial loss or major disruption to service continuity.</p> <p>These are fundamental matters relating to factors critical to the success of the area under review or which may impact upon the organisation as a whole. Failure to implement such recommendations may result in material loss or error or have an adverse impact upon the organisation’s reputation.</p> <p>Such issues may require the input at Corporate Director/Assistant Director level and may result in significant and immediate action to address the issues raised.</p>	<p>A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.</p>
2	<p>Action considered necessary to improve or implement system controls so as to ensure an</p>	<p>A significant system weakness, whose impact or frequency presents risks to the system</p>

**Priority**

**Long Definition**

**Short Definition – for use in Audit Reports**

effective control environment exists to minimise exposure to significant risks such as financial or other loss.

objectives, and which needs to be addressed by management.

Such issues may require the input at Head of Service or senior management level and may result in significantly revised or new controls.

3

Action considered prudent to improve existing system controls to provide an effective control environment in order to minimise exposure to significant risks such as financial or other loss.

The system objectives are not exposed to significant risk, but the issue merits attention by management.

Such issues are usually matters that can be implemented through line management action and may result in efficiencies.

### Draft Reports Issued

Seventeen internal audit reports are currently in draft. These reports are with management for consideration and comments. Once the reports have been finalised, details of the key findings and issues will be reported to this committee. The draft reports are categorised as follows:

<b>Opinion</b>	<b>Number</b>
High Assurance	4
Substantial Assurance	8
Moderate Assurance	2
Limited Assurance	2
No Assurance	0
Not given	1

### Final Reports Issued

The table below shows audit reports finalised since the last report to this committee in November 2013. In all cases the recommendations made have been accepted by management, and will be followed up by internal audit.

<b>Audit</b>	<b>Date Of Final Report</b>	<b>Opinion</b>	<b>Number of Agreed Actions</b>		<b>Work done / significant weaknesses / issues identified</b>
			<b>Total</b>	<b>Priority 1</b>	
Poppleton Ousebank	26/11/2013	Substantial Assurance	4	0	A schools audit. No significant issues identified.

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
Procurement Cards	27/11/2013	Substantial Assurance	2	0	Significant improvements in record keeping and monitoring of transactions noted since the last audit of Procurement Cards. No major issues identified.
Huntington Secondary School	03/12/2013	High Assurance	3	0	A schools audit. No significant issues identified.
Hempland Primary School	03/12/2013	Substantial Assurance	4	0	A schools audit. No significant issues identified.
Health and Safety	05/12/2013	Moderate Assurance	11	0	This audit covered three separate areas of Health and Safety Management: lone working, management of external contractors and staff use of their own vehicles for work. Whilst none of the issues represented a major control weakness, a number of improvements were required. Issues identified related to improvements needed to risk assessments, document retention and staff training.

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
Social Care Contract Monitoring	10/12/2013	Substantial Assurance	3	0	This audit specifically looked at the procedures for ensuring external providers of social care services are delivering a quality service in accordance with contractual agreements. Issues identified related to some inconsistent practices for review meetings across different teams.
Carr Junior School	11/12/2013	High Assurance	4	0	A schools audit. No significant issues identified.
Democratic Governance	16/12/2013	Moderate Assurance	8	0	<p>The governance of meetings, including the publication of agendas, reports and minutes within the required timescales seemed to be sound. However, there are a number of weaknesses in the categorisation and recording of decisions. These seem to arise from a lack of clarity and consistency across the council about who can make particular decisions and how they should be published and recorded.</p> <p>Some sections of the modgov website (the site that supports the management of meetings and decision</p>



Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
					<p>making) are not up-to-date and information is not well presented to the public. A comprehensive review is recommended to improve the clarity of information held and its presentation.</p> <p>Information relating to meetings of some boards of the Local Strategic Partnership is not available publicly.</p> <p>The council seems to have made good use of social media to inform members of the public about its services, actions taken and wider city events. However, it could make improvements in how it seeks to involve people in the democratic process through social media and in being more responsive to members of the public.</p>
Amenity Funds	10/01/2014	Moderate Assurance	7	0	A review of the Amenity Funds operated by two council EPHs. Whilst a number of improvements to record keeping were identified, the audit confirmed that the nature of expenditure was reasonable, receipts were present to support transactions and that amount of cash held balanced to fund records.

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
Headlands Primary School	04/02/2014	High Assurance	5	0	A schools audit. No significant issues identified.
Acomb Primary School	05/02/2014	High Assurance	5	0	A schools audit. No significant issues identified.
Debtors	11/02/2014	High Assurance	1	0	No significant issues identified, the one agreed action relates to the production of performance information to enable more detailed monitoring.
CANS and CES – Materials Usage and Disposal	18/02/2014	Moderate Assurance	4	0	A review of the storage, usage and disposal of materials that are surplus to requirements. All actions relate to the sale of scrap metal including putting in place a formal agreement with the scrap merchant, keeping records of each collection or delivery and ensuring that invoices for scrap proceeds are raised promptly.
Budget Savings	24/02/14	Substantial Assurance	3	0	The savings reviewed were found to be well monitored and progress in achieving the savings was regularly reported. It was clear that delivery of agreed savings

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
					<p>and identification of potential further savings are key priorities for managers across the council. Budget managers were aware of risks to delivering their savings however there are risks to achieving recurring savings as areas of underperformance are sometimes offset by identifying in year mitigation rather than taking the required long term action.</p> <p>Whilst the two year budget setting process should enable a greater emphasis to be placed on forward planning, this is not yet the case across the organisation. Early planning is not always taking place and many savings still appear to be approached on a year by year basis, with some service areas trying to catch up with unachieved savings from previous years.</p>
Council Tax and NNDR	05/03/2014	High Assurance	2	0	No significant issues identified.
Environment and	06/03/2014	Limited Assurance	3	0	A review of the annual submission to the Environment Agency for the Carbon Reduction Commitment (CRC)

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
Sustainability - CRC Certification					<p>Scheme and the procedures for preparing the required information. Weaknesses were identified in three main areas:</p> <ul style="list-style-type: none"> <li>• A number of errors were identified in the draft data to be submitted for the annual report. Changes were made during the course of the audit before the report was submitted.</li> <li>• The council needs to improve its evidence pack in order to comply with the requirements of the scheme and avoid enforcement action being taken.</li> <li>• A number of issues were identified during the course of the audit of both the data and the evidence pack that relate to the overall administration of the scheme. It was found that total reliance is being placed on the internal audit work to ensure the accuracy of the data, rather than any management checks taking place.</li> </ul>
Wigginton Primary School	07/03/2014	Substantial Assurance	9	0	A schools audit. While a number of issues were identified, none represented a significant control

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
					weakness.
Information Security Checks	24/03/2014	Moderate Assurance	0	0	<p>Regular Information Security checks have been undertaken at West Offices and Hazel Court to assess the extent to which confidential, personal or sensitive information is stored securely. While significant improvements have been made compared to similar audits carried out in previous years, several examples were found of sensitive documents left out on desks or in unlocked cabinets. In many cases, secure storage was available but was not being used.</p> <p>No specific actions were agreed as the report was issued to the Corporate Information Governance Group to agree and communicate appropriate actions throughout the council. Specific feedback will be given to individual assistant directors and service managers where significant issues were identified. Further checks will be undertaken during 2014/15 to monitor progress.</p>

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## VARIATIONS TO THE 2013/14 AUDIT PLAN

Additions to the plan are considered where:

- specific requests are received from the S151 Officer which are necessary for him to discharge his statutory responsibilities.
- new or previously unidentified risks result in changes to the priority of audit work
- significant changes in legislation, systems or service delivery arrangements occur which have an impact on audit priorities
- requests are received from customers to audit specific services, systems or activities usually as a result of weaknesses in controls or processes being identified by management
- urgent or otherwise unplanned work arises as a result of investigations into fraud and other wrongdoing identifying potential control risks.

Additions to the audit plan are only made if the proposed work is considered to be of a higher priority than work already planned, the change can be accommodated within the existing resource constraints and the change has been agreed by the Head of Internal Audit.

Audits are deleted from the plan or delayed until later years where:

- specific requests are received from the S151 Officer or the audit customer and the grounds for such a request are considered to be reasonable
- the initial reason for inclusion in the audit plan no longer exists
- it is necessary to vary the plan to balance overall resources.

To reflect the contractual relationship between the council and Veritau, all proposed variations to the agreed audit plan arising as the result of emerging issues and/or requests from directorates will be subject to a change control process. Where the variation exceeds 5 days then the change must be authorised by the Director of CBSS. Any significant variations will then be communicated to the Audit and Governance Committee for information.



### 2013/14 Audit Plan Variations

The following variations have been approved by the Director of CBSS since the last report to this committee. They represent no net change to the overall planned audit days.

<b>Audit</b>	<b>Days</b>	<b>Reason For Variation</b>
<b>Additions to the Audit Plan</b>		
Cleaning Services	25	A specific request from the Head of Facilities Management and the Assistant Director Finance, Asset Management and Procurement to review the systems for allocating and authorising overtime and additional hours.
<b>Deletions from the Audit Plan</b>		
Data Quality	-25	Removed from 2013/14 Audit Plan due to planned changes to Performance Indicators and the Performance Management Framework. A full review to be undertaken by Internal Audit in 2014/15.
	<b>0</b>	

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**COUNTER FRAUD ACTIVITY 2013/14**

The table below shows the total numbers of fraud referrals received and summarises the outcomes of investigations completed to date. The indicators include the full range of counter fraud work undertaken.

	<b>2013/14 (as at 28/02/14)</b>	<b>2013/14 (Target: Full Yr)</b>	<b>2012/13 (Actual: Full Yr)</b>
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked, management action taken).	59%	30%	47%
Number of investigations completed	209	320	262

**Caseload figures for the period are:**

	<b>As at 1/4/13</b>	<b>As at 28/02/14</b>
Awaiting allocation	22	56
Under investigation	147	161

**Summary of counter fraud activity:**

<b>Activity</b>	<b>Work completed or in progress</b>
Data matching	<p>Matches from the National Fraud Initiative's Council Tax exercise have been returned. They show 1,461 matches relating to suspected false single person discount awards. Information was also provided on a further 151 cases where children were turning 18.</p> <p>A proactive data matching exercise identifying fraud solely within the Council Tax Support scheme is currently underway. 13 cases of suspected fraud have been identified and are currently under investigation.</p> <p>Housing Benefit Matching Service (HBMS) referrals continue to be investigated - the counter fraud team has received 658 HBMS referrals this year. HBMS referrals have resulted in 2 benefit fraud prosecutions and 4 sanctions to date in 2013/14.</p>
Fraud detection and investigation	<p>The service continues to promote the use of criminal investigation techniques and standards to robustly respond to any fraud perpetrated against the council. Activity to date includes the following:</p> <ul style="list-style-type: none"> <li>• <b>Housing fraud</b> – working in conjunction with housing officers, 34 properties have been recovered since April. In addition, 14 properties were prevented from being let where the prospective tenants had provided false information in their housing applications (comparative figures for last year were 21 properties recovered and 2 applications blocked). Two people have been cautioned for falsely applying for housing. There are 42 current investigations in</li> </ul>

Activity	Work completed or in progress
	<p>this area. In September the team launched a regional anti-housing fraud drive joining up with four housing associations and four other local authorities in North Yorkshire.</p> <ul style="list-style-type: none"> <li>• <b>Internal fraud</b> - the team has received 15 referrals for internal frauds between 1<sup>st</sup> April and 28<sup>th</sup> February. Four cases are still under investigation.</li> <li>• <b>Benefit fraud</b> - 11 people have been prosecuted for benefit fraud offences and a further nine have received formal sanctions (cautions and administrative penalties). Benefits have been corrected in a further 29 cases.</li> <li>• <b>Social Care fraud</b> – There are currently 13 ongoing investigations in this area. The fraud team is working closely with a number of departments to identify, detect and deter fraud in this area.</li> <li>• <b>Parking fraud</b> – Twelve cases of blue badge misuse have been referred to the team since April (increased from 5 last year). One person has been prosecuted, one person was cautioned and four people have received warnings for disabled badge fraud so far this year.</li> <li>• <b>Council Tax fraud</b> – there are 11 ongoing investigations in this area.</li> </ul>

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**SUMMARY OF BREACHES OF FINANCIAL REGULATIONS  
IDENTIFIED DURING INTERNAL AUDIT WORK COMPLETED  
IN THE PERIOD**

<b>Description of Breach</b>	<b>Instances</b>
Improper ordering/purchasing procedure	1
Payments made without current contract in place	1
Failure to obtain a waiver when 3 quotes have not been obtained	1
Inadequate income collection procedures	1

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**Audit and Governance Committee**

16 April 2014

Report of the Head of Internal Audit

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**Internal Audit Follow Up Report**

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**Summary**

1. This is the regular six monthly report to the committee setting out progress made by council departments in implementing actions agreed as part of internal audit work.

**Background**

2. Where weaknesses in systems are found by internal audit, the auditors discuss and agree a set of actions to address the problem with the responsible manager. The agreed actions include target dates for issues to be dealt with. The auditors then carry out follow up work to check that the issue has been resolved once these target dates are reached. The follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary. Where managers have not taken the action they agreed to, issues are escalated to more senior managers, and ultimately may be referred to the Audit and Governance Committee.
3. A summary of the findings from follow up work is presented to this committee twice a year. The current report covers agreed actions with target dates up to 28 February 2014.

**Consultation**

4. Details of the findings of follow up work are discussed with the relevant service managers and chief officers.

## Follow up of internal audit agreed actions

5. A total of 88 actions have been followed up since the last report to this committee in November 2013. A summary of the priority of these actions is included in figure 1, below.

*Figure 1: actions followed up as part of the current review*

Priority of actions*	Number of actions followed up
1	4
2	28
3	56
<b>Total</b>	<b>88</b>

\* The priorities run from 1 (high risk issue) to 3 (lower risk)

6. Figure 2 below provides an analysis of the actions which have been followed up, by directorate.

*Figure 2: actions followed up by directorate*

Priority of actions	Number of actions followed up by directorate				
	Chief Executives	City and Environmental Services	CANS	ACE	CBSS
1 (High)	0	0	1	1	2
2 (Medium)	7	4	6	4	7
3 (Low)	2	3	13	21	17
<b>Total</b>	<b>9</b>	<b>7</b>	<b>20</b>	<b>26</b>	<b>26</b>

7. Of the 88 agreed actions 67 (76.1%) had been satisfactorily implemented and 5 (5.7%) were no longer needed<sup>1</sup>.
8. In a further 16 cases (18.2%) the action had not been implemented by the target date, but a revised date was agreed. This is done where the delay in addressing an issue will not lead to unacceptable exposure to risk and where, for example, the delays are unavoidable (eg due to unexpected difficulties or where actions are dependent on new systems being implemented). These actions will be followed up after the revised target date and if necessary

<sup>1</sup> For example because of other changes to procedures or because the service has ended or changed significantly.

they will be raised with senior managers in accordance with the escalation procedure. Figure 3 below shows the priority of these actions.

*Figure 3: priorities of actions with revised implementation dates*

<b>Priority of actions</b>	<b>Number of actions with a revised implementation date</b>
1 (High)	0
2 (Medium)	9
3 (Low)	7
<b>Total</b>	<b>16</b>

9. The three actions escalated in the November 2013 report have been discussed with the new head of service and have now all since been satisfactorily implemented. No other actions have required escalation during this period.

### **Conclusions**

10. The follow up testing undertaken confirms that in general good progress has been made by council departments to rectify weaknesses in control identified through internal audit work. This is an ongoing process and progress in implementing agreed actions will continue to be monitored and reported as required through the escalation procedure. There are no specific issues that need to be brought to the attention of the Audit and Governance Committee at this time.

### **Options**

11. Not relevant for the purpose of the report.

### **Analysis**

12. Not relevant for the purpose of the report.

### **Corporate Priorities**

13. This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything we do. It also contributes to all the improving organisation effectiveness priorities.

### **Implications**

14. 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**

15. The council will fail to properly comply with Public Sector Internal Audit Standards (PSIAS) if it does not establish procedures to follow up on audit recommendations and report progress to the appropriate officers and members.

### **Recommendations**

16. Members of the Audit and Governance Committee are asked to:
- consider the progress made in implementing internal audit agreed actions as reported above (paragraphs 5 – 10)

#### Reason

*To enable members to fulfil their role in providing independent assurance on the council's control environment.*

**Contact Details**

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**Report  
Approved**



**Date** 03/04/2014

**Specialist Implications Officers**

Not applicable

**Wards Affected:** Not applicable

**All**



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

**Background Papers:**

None

**Annexes**

None

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