

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

To:	Councillors N Barnes (Chair), Dew (Vice-Chair), Cullwick, Fenton, Gunnell, Kramm and Lisle Mr Mendus and Mr Bateman
Date:	Wednesday, 9 December 2015
Time:	5.30 pm
Venue:	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 interests

which they might have in respect of business on the agenda.

2. Minutes (Pages 1 - 10)

To approve and sign the minutes of the meeting held on 23 September 2015.

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 8 December 2015.**

Filming, Recording or Webcasting Meetings

Please note this meeting will 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>

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (whose contact details are at the foot of this agenda) in advance of the meeting.

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 https://www.york.gov.uk/downloads/file/6453/protocol_for_webcasting_filming_and_recording_council_meetingspdf

4. Audit and Governance Committee's Forward Plan (Pages 11 - 16)

This paper presents the future plan of reports expected to be presented to the committee during the forthcoming year to July 2016.

5. Programme/Project Management Update (Pages 17 - 70)

This report provides an update on key programme and project activity. It also provides information on the work that the Council is carrying out to strengthen project and programme management.

6. Update on Information Governance (Pages 71 - 180)

This report provides Members with an update on information governance developments since the last report to the Committee in June 2015.

7. Audit and Counter Fraud Progress Report (Pages 181 - 198)

This report provides an update on progress made in delivering the internal audit workplan for 2015/16 and on current counter fraud activity.

8. Scrutiny of Treasury Management Mid Year review and Prudential Indicators 2015/16 (Pages 199 - 216)

This paper presents the Treasury Management Mid Year Review and Prudential Indicators 2015/16 report which was considered by the Executive on 26 November 2015. The report provides an update on treasury management activity for the first six months of 2015/16.

9. Pension Investment in Fossil Fuels (Pages 217 - 222)

This report is in response to a Council motion of 8 October 2015 which required a report to be presented to the Audit and Governance Committee detailing York's current direct and indirect investments in fossil fuels, including current investment by North Yorkshire Pension Fund.

10. Mazars Audit Progress Report (Pages 223 - 234)

This report updates the Committee on progress made by Mazars in delivering its responsibilities as the Council's external auditors. The report also highlights key emerging national issues and developments which may be of interest to Members.

11. Mazars Annual Audit Letter 2014/15 (Pages 235 - 254)

This Annual Audit Letter from Mazars summarises the outcome of the audit of the Council's 2014/15 annual accounts and the work on its value for money conclusion.

12. Review of Project Management Arrangements for the Transformation Programme (Pages 255 - 266)

This report details the findings of a review by Mazars of the programme and project management arrangements for the transformation programme.

13. Urgent Business

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

Democracy Officer:
Name: Jayne Carr
Contact Details:
Telephone – (01904) 552030
Email – 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

Meeting	Audit & Governance Committee
Date	23 September 2015
Present	Councillors N Barnes (Chair), Dew (Vice-Chair), Fenton, Gunnell, Kramm, Lisle, and Cuthbertson (Substitute for Councillor Cullwick) and Mr Bateman and Mr Mendus
Apologies	Councillor Cullwick

Part A - Matters Dealt with Under Delegated Powers

21. 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.

Councillor Barnes declared a pecuniary interest in respect of the Community Stadium project which was referred to in the Audit Completion Report (minute 29 refers), as his employer was a sponsor of one of the future occupants of the Community Stadium which was a project which was referred to in the report. He stated that, should Members wish to discuss this aspect of the report, he would withdraw from the meeting.

22. Minutes

Resolved: That the minutes of the meeting of 29 July 2015 be approved and signed as a correct record.

23. Public Participation

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

24. Forward Plan

Members considered a paper which presented the future plan of reports expected to be presented to the committee during the forthcoming year to July 2016.

Members were invited to identify any further items they wished to see added to the Forward Plan.

Members commented on the complexities and financial implications of the Community Stadium project and stated that there was also considerable public interest in the project. It was noted that a risk update report and a report on project management were due to be presented to the committee at the next meeting. Members requested that the risk update report included a specific focus on the Community Stadium project.

Resolved: That the committee's Forward Plan for the period to July 2016 be approved, subject to it being noted that the risk update report scheduled for the next meeting, included a specific focus on the Community Stadium project.

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.

25. Peer Review Update Report

Members considered a report which presented an update on actions being taken to progress the recommendations arising from the Local Government Association (LGA) peer reviews. The peer review reports had been included with the online agenda papers.

Members were informed that it had been agreed to undertake a further Peer Review in late November 2016 to consider the progress the council had made to address the recommendations of the two earlier reviews. The terms of reference for the review and details of the LGA team would be reported to the committee in due course. Members stated that

they hoped that all Members would have the opportunity to contribute to the review.

Members clarified whether the review was voluntary in nature and whether there were costs involved. Officers confirmed that it was a voluntary review although it was good practice and generally expected that Local Authorities would work together in this way. The council would meet some of the costs involved and others would be met by the LGA. An indication of the costs involved could be presented when the full plan for the review had been agreed.

It was noted that the original review had originated from a motion at full council and that an approach had been made by LGA regarding a follow-up review which had been agreed with Group Leaders.

- Resolved: (i) That the decision to undertake a further Peer Review in November 2016 be noted.
- (ii) That it be noted that a revised action plan would be brought to the committee following the Peer Review.

Reason: To ensure that Members are kept updated on progress following the peer reviews.

26. Programme and Project Management

Members considered a report that outlined the arrangements that were in place in respect of project management to ensure transparency in general, but particularly in respect of projects with commercial sensitivities. The report had been requested at the previous meeting. Members noted that a more comprehensive report on the council's project management activity would be brought to the committee at the next meeting.

Members' attention was drawn to paragraph 9 of the report which detailed proposed arrangements to strengthen the role of the Audit and Governance Committee and scrutiny committees in the issue of major projects. It was proposed that quarterly major projects reports be produced for the committee to cover projects under the following broad headings:

- Where there is significant capital expenditure

- Where there is likely to be significant public interest
- Where there is a major saving target/change in the delivery of a service

Members stated that they welcomed the changes that were being implemented to improve transparency.

At the request of Members, officers detailed the arrangements that were in place to ensure that all officers who were involved in managing projects received an appropriate level of training. Details were also given of progress that was being made in developing the use of the Verto web based system to support the management of projects. Further information would be included in the next project management report to the committee.

- Resolved:
- (i) That the report be noted.
 - (ii) That quarterly project updates, as outlined in paragraph 9 of the report, be presented to the committee.
 - (iii) That it be noted that regular project updates would also be presented to the Executive (via the capital monitor report) covering the council's most significant projects.

Reason: To ensure greater transparency in project management.

27. Objection and Closure of the 2013/14 Audit

Members considered a report from Mazars which presented the outcomes from the objection and the closure of the 2013/14 audit.

It was noted that Mazars had determined the objection on 31 July 2015 and had not been persuaded that the item of account to which the objection related had been unlawful. A certificate had been issued closing the audit on 7 September 2015.

Members noted the costs relating to the objection.

Resolved: That the report be noted.

Reason: To ensure that Members are informed of the work carried out to complete the audit and the outcomes from the objection.

28. Annual Financial Report - Statement of Accounts 2014/15

Members considered a report which presented a final set of accounts for 2014/15 to reflect changes made since the draft pre-audit accounts were presented to the committee on 29 July 2015.

Officers confirmed that the areas identified in 2014/15, as outlined in paragraph 7 of the report, would form the basis of a structured improvement programme in the build up to the production of next year's accounts. Work on this was already ongoing.

Members noted that the Learning and Culture Policy and Scrutiny Committee would be carrying out a review on spending in respect of Tour de France activities.

Officers were thanked for their work in preparing the accounts.

- Resolved:
- (i) That the matters set out in the Audit Completion Report presented by the external auditor be noted.
 - (ii) That the amended Annual Financial Report at Annex A of the report be approved for signature by the Chair in accordance with the Accounts and Audit Regulations 2003.
 - (iii) That the letter of representation, as included in the Audit Completion Report, be approved for signature by the Director of Customer and Business Support Services.

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

- (ii) and (iii) To ensure compliance with the International Auditing Standards and any relevant legislative requirements.

29. **Audit Completion Report**

Members gave consideration to the Audit Completion Report from Mazars for the year ended 31 March 2015.

Members noted that since the report had been published Mazars had received and reviewed the required assurance from the auditors of North Yorkshire Pension Fund (Deloitte LLP) over IAS 19 (pensions) related entries in the financial statements. An update was tabled [*included with the online agenda papers for the meeting*].

Members noted that Mazars would be issuing an unqualified opinion, without modification, on the statement of accounts and had concluded that proper arrangements had been made to secure economy, efficiency and effectiveness in the use of resources. Tribute was paid to the work that council officers had carried out and the improvements that had been made.

Representatives from Mazars went through the significant findings from the audit, as detailed in the report.

Members questioned the representatives from Mazars about the issue of bank reconciliation. They were informed that there had been a significant improvement since the previous year and the work undertaken by officers had significantly reduced the number and value of adjustments required to carry out the year end bank reconciliation. There did, however, remain a non-material discrepancy between the bank account and the financial ledger. CYC officers explained that this was an historic issue and work was being carried out to address the problem. They were confident that the matter would be fully resolved in the current financial year.

Members noted the work that Mazars had carried out in respect of the transformation programme. A detailed findings document had been produced for CYC management and it was proposed to bring a report to the next committee meeting.

Resolved: That the report be noted.

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

30. Risk Based Verification Policy

Members gave consideration to a report which presented the council's Risk Based Verification (RBV) policy.

Members were informed that the council had been provided with the opportunity to implement Risk Based Verification into its housing benefit processes by the Department for Work and Pensions through the DWP Fraud and Error Reduction Initiative Scheme.

Members questioned officers about the impact of this initiative on customers. They were informed that it was intended that the RBV would provide a quicker and less onerous service for many customers, as there would be a reduction in processing time.

It was noted that the software for this initiative would be free until at least June 2016. Members suggested that the policy should be reviewed at that time to ascertain whether the initiative was working effectively.

- Resolved:
- (i) That the implementation of RBV for change of circumstance housing benefit claims be approved.
 - (ii) That the RBV Policy, as set out in Annex A of the report, be approved.
 - (iii) That the policy be reviewed by June 2016.

- Reasons:
- (i) To more efficiently manage change of circumstances reported by Housing Benefit customers. This will improve customer service, deliver efficiencies and increase the value and detection of fraud and error.
 - (ii) To meet the requirements of Department for Work and Pensions guidance, allowing the council to participate in this initiative.

- (iii) To enable the effectiveness of the policy to be reviewed.

31. Audit and Counter Fraud Monitoring Report

Members considered a report which provided an update on progress made in delivering the internal audit workplan for 2015/16 and on current counter fraud activity.

Resolved: That the progress made in delivering the 2015/16 internal audit work programme, and current counter fraud activity be noted.

Reason: To enable Members to consider the implications of audit and fraud findings.

32. Regulation of Investigatory Powers Act (RIPA) and Inspection by the Surveillance Commissioner

Members considered a report which presented statistics about the council's application of the Regulation of Investigatory Powers Act 2000 (RIPA) and which described the council's progress in completing the recommendations made following the most recent inspection by the Office of the Surveillance Commissioner (OSC).

Members were pleased to note that the OSC report had been positive. Attention was drawn to paragraph 15 of the report which detailed the small number of improvements that had been identified.

Resolved: That the small but important contribution to crime prevention made by covert investigations by council officers, the current levels of activity and the outcomes of the recent inspection be noted.

Reason: To ensure that the council conducts covert surveillance in accordance with relevant legislation and fulfils the public interest in maintaining the privacy of its citizens.

Part B - Matters Referred to Council

33. Deputy Leader's Report to Council

Members considered a report which asked the committee to give further consideration to the introduction of a Deputy Leader's report to Council. At the previous meeting, Members had considered the principle of introducing such a report and Members were now asked to consider a specific proposal for consideration.

Differing views were put forward as to whether a Deputy Leader's report should be presented to Council. Whilst some Members commented that such an arrangement would not improve governance and may reduce the opportunity to hold the Leader to account, the majority of Members stated that they were reassured that the proposed new arrangement addressed the issues that had previously been raised regarding the time pressures at Council meetings. Members felt that the proposal also recognised the way in which power was shared within the Executive and would improve transparency.

It was noted that the proposal to include a Deputy Leader's report had arisen because of the joint administration arrangement that was now in place, but the implementation of such a report would need to be reviewed in future if there were changes to governance arrangements.

- Recommend: (a) That Council consider a proposal that:
- (i) The Council procedure rules include provision for a report from the Deputy Leader.
 - (ii) The existing rules for Cabinet Members' reports be applied to the report of the Deputy Leader.
 - (iii) The Deputy Leader's right to respond to the Leader's report be removed from the Constitution.
 - (iv) The time for questions on the Leader's report be reduced from fifteen to ten minutes.

- (b) That Council note the comments of the committee on the proposals.

- Reasons:
- (i) To allow Full Council to consider the introduction of a Deputy Leader's report.
 - (ii) To enable Council to have the benefit of the Committee's advice when debating the proposal.

Councillor N Barnes, Chair

[The meeting started at 5.30 pm and finished at 7.50 pm].



Audit and Governance Committee

9th December 2015

Report of the Director of CBSS (Portfolio of the Leader of the Council)

Audit & Governance Committee Forward Plan to July 2016**Summary**

1. This paper presents the future plan of reports expected to be presented to the Committee during the forthcoming year to July 2016.

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 September 2016. 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. A number of amendments have been made to the Forward Plan since the previous version was presented to the Committee in September 2015.
4. Quarterly Project Management Update reports have been added to the Forward Plan so Members will be presented with update reports in February, June and September.
5. Two further reports have been added to the agenda for February's meeting – an Information Security Update report and a report providing an update on the Absence Management Process.
6. The quarterly risk report has also been deferred from December to the next meeting in February.

Consultation

7. 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

8. Not relevant for the purpose of the report.

Analysis

9. Not relevant for the purpose of the report.

Council Plan

10. This report contributes to the overall effectiveness of the council's governance and assurance arrangements contributing to the Council Plan priority – A Council that listens to residents – to be a more responsive and flexible council that puts residents first and meets its statutory obligations.

Implications

11.
 - (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

12. 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

13.

- (a) The Committee’s Forward Plan for the period up to September 2016 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 09/12/2015

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 September 2016

Audit & Governance Committee Draft Forward Plan to September 2016

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

- **Committee 10th February 2016**

Key Corporate Risk Monitor Quarters 3 & 4 (Including directorate risks)

Scrutiny of the Treasury Management strategy statement and Prudential indicators

Older people Project update report

Counter Fraud: Risk Assessment and review of policies

Audit & Counter Fraud Plan & Consultation

Information Security update report

Absence Management Process update report

Quarterly Project Management update report

Changes to the Constitution (if any)

- **Committee 13th April 2016**

Mazars Audit Progress Report

Mazars Audit Strategy Report

Approval of Internal Audit Plan

Internal Audit & Fraud Plan Progress Report including follow up of Audit Recommendations

Information Governance Annual Report

Changes to the Constitution (if any)

- **Committee June 2016**

Draft Annual Governance Statement

Annual Report of the Audit & Governance Committee

Mazars Audit progress report

Annual Report of the Head of Internal Audit

Quarterly Project Management update report

Changes to the Constitution (if any)

- **Committee July2016**

Draft Statement of Accounts

Mazars Audit Progress Report

Scrutiny of the Treasury Management Annual Report 2014/15 and review of Prudential Indicators

Key Corporate Risks Quarter 2 (including directorate risks)

Freedom of Information Update report

Changes to the Constitution (if any)

- **Committee September 2016**

Final Statement of Accounts 2015/16

Mazars Audit Completion Report

Key Corporate Risks Quarter 3

Follow up of Internal & External Audit recommendations

Internal Audit & Fraud plan progress report

Quarterly Project Management update report

Changes to the Constitution (if any)



Audit & Governance Committee**9 December 2015**

Report from the Office of the Chief Executive

Programme/Project Management Update**Summary**

1. It was agreed at Audit & Governance Committee on 23rd September that a quarterly update be provided on key programme and project activity. This paper provides the first update.
2. In addition, further information has been provided on the work the council is doing to strengthen project and programme management through the adoption of a standard methodology. As part of this process, the council is rolling out a project management database called verto.

Background

3. The council undertakes a large amount of programme and project management and has a strong track record in delivering change. At previous Audit and Governance committee meetings, requests were made for increased visibility of the council's key project activity. This report has been produced to provide a summary of the most significant programmes and projects currently being implemented. In determining what projects should be included, particular consideration has been given to whether the council is either making considerable financial investment in these projects or whether they are critical to the council's ability to achieve future budget savings. At this stage, financial thresholds have not been set for either investments or savings and instead a judgement has been made as to those which are the most significant in each category. The report also contains projects that are judged to be important in reputational terms. These projects may not be investment led but the council recognises that their failure would create significant concern amongst customers.

4. In presenting the information to Audit & Governance Committee, a template has been produced in order to provide;
 - Description – An explanation of what the purpose of the project/programme is.
 - Category – A judgement as to whether it is being reported because it is an investment, saving or reputational project/programme.
 - Current Status – An explanation of the activity that has been completed.
 - Future Outlook – An explanation of the next phases of project/programme activity.
 - Key Risks – A simple description of the project/programme’s top three risks. Many of these are reflected in the corporate risk log that is reported to Audit & Governance Committee. For ease of presentation, the gross and net risk scores and mitigations have not been replicated in this report.
 - Reports to – This section sets out where the project/programme is currently reporting to in terms of the council’s overall governance structure.

5. Further categories can be added and the template refined if Audit & Governance Committee wishes to see other information.

Project Title	Local Plan
<p>Description</p> <p>The 'Local Plan' is a citywide plan which helps with development control in York, it sets out the opportunities and policies on what will or will not be permitted and where, including new homes and businesses.</p> <p>In response to both the Council resolution in autumn and the changed national and local context officers have either initiated or intend to initiate the following pieces of work which will add to and update the evidence base that will inform the next stage of plan production.</p> <p>Need for Land</p> <ul style="list-style-type: none"> • Objective Assessment of Housing Need • Revised Economic Forecasts • York, Hambleton, Ryedale and North Yorkshire Moors National Park Authority Strategic Housing Market Assessment 	

Land Supply

- Windfalls Provision
- Density and Phasing
- Strategic Housing Land Availability Assessment
- Employment Land Review
- Duty to Cooperate – the role of Neighbouring Authorities

Other

- Consultation Audit and Assessment
- Gypsy and Travellers and Travelling Show People Assessment
- Green Belt Appraisal
- Infrastructure Development Plan
- An assessment of Neighbourhood Plans and their relationship to the Local Plan
- Emerging Joint Waste & Minerals Local Plan

Financial Investment



Financial saving



Reputational

**Current Status:**

The report to Executive on 30th July 2015 quoted the Council resolution on the Local Plan on 9th October 2014 which stated that the draft local plan approved by Cabinet on the 25th September 2014 did not accurately reflect the evidence base. It asked that officers produce a report on the housing trajectory be brought back to the Local Plan Working Group and a new local plan be brought back to the LPWG for discussion and recommendation to Cabinet in November.

The report to Executive on 29th October 2015 presented the recommendations from a meeting of the LPWG held on 29 September. It asked Members to consider the advice given by the Group in their capacity as an advisory body to the Executive. This was to note the Arup report on the Objective Assessment of Housing Need which is to be used as the starting point for determining the amount of housing land required to be identified in the Plan.

Future Outlook:

Officers are working with technical experts to produce a revised Objective Assessment of Housing Need (OAHN) for York. This will look at the implications of the revised national household projections which are the starting point of overall housing need. The 2012-based projections indicate that the number of households in York is projected to grow by 14,404 dwellings between 2012 and 2031 to 98,651

households in total.

In addition to evaluating the implications of the national household projections the technical work will consider sensitivity testing, specific to local circumstances, which may require an adjustment to be made to reflect factors affecting local demography and household formation rates which are not captured in the national projections. These other factors include the consequences of past under delivery of housing (backlog), specialist populations such as students, market signals (e.g. house prices) and affordability and economic projections.

The Local Plan should make provision for the land required to meet the development needs of the local economy. A key piece of evidence for this is a forecast of future job growth and the consequent need for land to accommodate new business floor-space. Furthermore the forecast job growth influences the assessment of the need for housing and it is important to ensure the alignment of projected housing and job growth. Officers are working with technical experts to undertake this work.

Key Risks

Key risks identified at Executive 30th July:

- Potential damage to the council’s image and reputation if a development plan is not adopted in an appropriate time frame
- Financial risk associated with the Council’s ability to utilize planning gain and deliver strategic infrastructure.
- Risks arising from failure to comply with the laws and regulations relating to Planning and the SA and Strategic Environmental Assessment processes and not exercising local control of developments

Measured in terms of impact and likelihood, the risks associated have been assessed as requiring frequent monitoring

Reports
to:

Executive, Local Plan Working Group

Project Title	Community Stadium		
<p>Description</p> <p>The Community Stadium project will deliver a new football and rugby stadium for professional sport and community sport and leisure facilities for the city of York. The project also includes a new athletics facility for use by York Athletic Club as well as many community uses and work with community partners.</p> <p>The core project objectives are to provide a new Community Stadium within a new leisure facility complex on the grounds of the existing Huntington Stadium / Waterworld swimming pool.</p> <p>This project represents an opportunity to create one of the country's most far reaching community stadium complexes. The range and extent of community facilities and services proposed with limited reliance on public sector funding will be a first in the UK.</p>			
Financial Investment <input checked="" type="checkbox"/>	Financial saving <input type="checkbox"/>	Reputational <input checked="" type="checkbox"/>	
<p>Current Status:</p> <p>On 27th August an update on the progress of the procurement process was presented to Executive. The paper also reflected the commitment for the long – term future of Yearsley Pool. It requested that Executive:</p> <ul style="list-style-type: none"> • Note the commitment to the long term future of Yearsley Pool and to commence the formal review process acknowledged by the procurement documentation so that this long – term commitment is delivered • Receive a report by March 2016 setting out the findings of the review process set out above and agree the long – term management arrangements for the pool after the new Stadium Leisure Centre is operational • Proceed with a package of early works in order to de-risk the delivery timetable and mitigate ongoing revenue pressures • Agree to the cost of these works valued at £2m being brought forward from the construction schedule • Receive a contract award report by January 2016 • Authorise the appropriation of land at Huntington Stadium • Take all reasonable steps to secure the removal by agreement if possible of any existing property rights which could prevent the development going ahead 			

On 24th September a report was presented to Executive on the appropriation of land at Kathryn Street, Huntington Stadium for planning purposes. The report noted that the project is now in its final stage of procurement and full commitment is given to its expedient delivery so that construction is completed during the football season 2016/17

On the 18th November a report was presented to the Economic Development and Transport Scrutiny Committee. This report noted the opportunities, benefits and progress over the last 6 months and the next steps in the process.

In the last six months of the project progress has been made as follows:

- An archaeological dig took place at the stadium site in May/June.
- The new county standard athletics track opened at the University of York campus in June and City of York Athletics Club have been using for training and events.
- The Judicial Review period expired and Secretary of State approval was received in respect of the full planning application.
- The Council confirmed its commitment to Yearsley Pool and redefined the full Project Programme Plan associated with the project.
- York City Knights signed their stadium and associated agreements with the Council in July.
- All appropriate planning conditions have been discharged that allow the commencement of early works on the stadium site to begin in November. This will see the demolition of Huntington Stadium and Waterworld and work to extend the Monks Cross P&R site.

Future Outlook:

A contract award report is due to be presented to Executive by January 2016 and a report by March 2016 setting out the findings of a review report on the future of Yearsley pool.

The scheme will create around 200 jobs including match and event day staff. There will also be additional temporary construction jobs created during the build phase.

During the construction period the development will generate a range of employment opportunities. At the peak of the construction programme, there would be up to 250 people on the site.

The new stadium has the potential to increase supporter demand and attendance numbers. Evidence suggests that the new stadium could generate from 20% - 40% increase in visitor numbers. A 20% increase in visitor numbers to the stadium will equate to 4,200 additional visitors per year from outside the City of York.

Between £129,831 & £259,662 additional expenditure could be generated per annum from the stadium, based on a range of 20% to 40% increase in attendance at matches.

The next steps involve:

- The completion of early works throughout November 2015 to February 2016.
- Full Executive approval to be sought and received to enable the signing of the full Design, Build, Operate and Maintain (DBOM) contract.
- Full construction to begin Spring 2016.

Key Risks

Consortium withdraws from project as scheme and delivery becomes unaffordable and unachievable
 Delay to the completion date due to change of scope for the project
 Project exceeds existing financial parameters agreed under current proposals

A detailed risk and issue register is managed by the project team and reported on a monthly basis to the Council's internal Project Board. Many of these risks contain commercially sensitive information and therefore the risk / issue register is not published as part of this report. A comprehensive risk analysis will be provided prior to contract award.

Reports to:	Executive, Economic Development and Transport Scrutiny Committee, Project Board
-------------	---

Project Title	Capital programme		
<p>Description</p> <p>This report addresses elements of the capital programme – these being:</p> <ul style="list-style-type: none"> • The Guildhall • Southern Gateway including 17-21 Piccadilly • York Central • Burnholme Health & Wellbeing Campus (This is linked to the Older Person’s Accommodation Programme which is reported as a separate item) 			
Financial Investment <input checked="" type="checkbox"/>	Financial saving <input checked="" type="checkbox"/>	Reputational <input checked="" type="checkbox"/>	
<p>Current Status:</p> <p>The Guildhall. A paper was presented to Executive on 30th July on the future of York’s Guildhall and Riverside. The report asked Executive to agree:</p> <ul style="list-style-type: none"> • A commitment to improved public access • To continue with the ongoing development work including the procurement of a multi-disciplinary design team • To commission a specialist property agent to establish the value of the commercial riverside elements, advise the design team, market test the proposals and agree the principles of long leases • To initiate a review of the feasibility work and business case assumptions with an aim to report back to Executive in September on the most commercial and viable options <p>On 14th September, a paper was presented to the Corporate & Scrutiny Management Policy & Scrutiny Committee on the Guildhall Development Review Introductory Report.</p> <p>The report provides an overview of the background information on the proposals (as developed to date) for the future use of the Guildhall complex. Members are asked to note the information provided and agree to a future meeting with external consultees, to enable Members views to feed into a future Executive report on the possible commercially viable uses for the complex.</p> <p>On 16th September, an additional meeting held for detailed consideration of options for the future use of the Guildhall complex</p>			

On 29th October, a paper was presented to Executive to agree the next steps necessary to secure the future of the Guildhall complex following the project review as agreed by Executive on 30th July and in response to the recommendations of the recent scrutiny review.

Executive were asked to approve the Scrutiny recommendation and:

- Create a serviced office venue
- Confirm the appointment of a multi disciplinary team, led by architects Burrell Foley Fischer, and agree that further design work is undertaken to develop a detailed scheme and associated business case, drawing on the previously approved development budget of 500k with a further report to Executive for final approval to proceed in summer 2016
- Confirm the selection of a commercial operating partner – the selection process to be confirmed following legal advice on the most effective option
- Confirm a programme of engagement with the City's business sector / target market to understand their requirements, facilitated through joint working with project partners; the Universities and Make it York.

A further report was presented to Economic Development and Transport Policy and Scrutiny Committee on 18th November, giving background on major capital projects.

Southern Gateway. A report was presented to Executive on 29th October. On 18th November a report was presented to the Economic Development and Transport Policy and Scrutiny Committee, giving background on major capital projects. Members were asked to agree:

- Progress to the development stage of the project and appoint a project manager using grant funding from One Public Estate
- To commence a procurement exercise to identify a joint venture partner to redevelop 17-21 Piccadilly
- To develop a business case for the development of the Southern Gateway
- To a budget of 185k, financed from New Homes Bonus, to enable development of a fully worked up business case

- To undertake transport modelling and review parking and access arrangements
- To explore potential delivery mechanisms and commence discussions with land owners in the area
- Undertake engineering feasibility
- Undertake archaeological feasibility to develop a costed proposal for a dig.
- Explore planning constraints and develop a suitable approach to planning issues.
- Undertake a market assessment.
- Develop a high level spatial plan for the area and a 3D visualisation for the area.
- Undertake a Development Appraisal.
- Explore a range of commercial delivery mechanisms.
- Prepare for a public consultation.
- Prepare a Conservation Statement for St George's Field & the Foss Basin.

York Central. A report was presented to the Economic Development and Transport Policy and Scrutiny Committee on 18th November giving background on major capital projects.

A memorandum of understanding with Network Rail has been signed, and work is underway with the National Railway Museum and the HCA to craft a comprehensive approach to the delivery of the project and to pursue additional external funding opportunities.

The project is being led at Corporate Management Team by the Director of City and Environmental Services supported by the Assistant Director of Finance Property and Procurement. A full time project manager is now in place with a dedicated project team for York Central to be able to resource the project appropriately.

Housing Zone status was awarded in the spring and The Homes and Communities Agency (HCA) have confirmed potential equity investment of £9.2m. They are also considering a grant application for £365k to support the resourcing of the project team and specialist advisors.

A bid has been submitted for York Central to become an Enterprise

Zone with support from the York North Yorkshire and East Riding LEP.

A grant of £50k has been agreed with a further bid for £200k under consideration from the Cabinet Office/Local Government Association One Public Estate programme, with funds to support the formation of a delivery partnership and early enabling work.

Work is ongoing to assemble third party land holdings to enable full scheme development.

A Lead Member Group has been established on York Central, and meets quarterly.

Burnholme Health and Wellbeing Campus. (linked to the Older Person's Accommodation Programme which is reported as a separate item).

A report was presented to Executive on 30th July that included asking for agreement from Executive to procurement of a new residential care facility as part of the wider Health and Wellness Campus at Burnholme.

On 29th October Executive were asked to:

- Note progress towards achieving new uses for the Burnholme site.
- Agree that interest is sought from partners to progress:
 - i. continued community and sports use on the site;
 - ii. a residential care home for older people;
 - iii. housing provision;
 - iv. health services delivered in a community setting.

Future Outlook:

Guildhall. The scrutiny committee made a clear recommendation to Executive for a scheme offering serviced managed office space in conjunction with virtual office / business club services, based on a refurbished annex, with an additional floor added. This option takes advantage of the character spaces that would be created for hotdesks / break out space allowing high density occupation. The following factors were seen to be the most important considerations in securing the future of the Guildhall complex:

- future flexibility compatible with the heritage status of the building
- public / community access

- ongoing council use secured
- protecting the heritage
- creating high value jobs
- the best rental income

Southern Gateway. The vision being developed for the area will help to achieve the effective regeneration of this strategically important location in the city and will coordinate development of wider socio-economic benefits. This is based on a mixed use, quality development with significant civic and public space.

Detailed economic benefits will be developed as part of this project. Benefits will include increased footfall, improved car parking provision, promotion of the use of sustainable transport, public realm improvements (including the setting of Clifford's Tower) and retail, office and residential space.

York Central. A developed York Central will deliver high value economic growth for the region. Enabled by Enterprise Zone status, the site would deliver:

- 108,000m² of additional grade A office led commercial space for private sector growth
- Estimated 6600 full-time employment high value jobs in industries such as professional services, insurance and high value rail, and
- £1.16 billion direct Gross Value Added (GVA) uplift from the commercial phases alone. With strategic alignment of planned transport improvements that would also be delivered as part of site regeneration, the benefits and job opportunities would be felt across the Local Enterprise Partnership (LEP) and the North.

Burnholme. This project is expected to deliver:

- a care home of at least 82 beds, in relation to which the Council will reserve the right to purchase a number of beds at a discount
- space for a relocated Explore Centre
- nursery and out of school care for pre- and primary school age children
- meeting and activity spaces for community and voluntary sector groups and communities of interest

- space for rent by start-up enterprises and by small third sector organisations
- a wide spectrum of both formal and informal indoor sports and active leisure provision
- sports pitches and other outdoor activities to encourage active lifestyles and that complement rather than compete with other facilities nearby
- accommodation for General Medical (GP) and community-based health services
- flexible training and meeting spaces for health service and lifestyle information provision
- complementary commercial offering e.g. pharmacy, community cafe etc
- homes to rent and to buy

Key Risks

Construction costs exceed pre-tender estimates

Private sector un-attracted by financial viability of projects

Lack of development funding

Reports
to:

Executive, Economic Development and Transport Policy
and Scrutiny Committee (not Burnholme currently), project
boards, DMT

Project Title	Adult Social Care	
<p>Description</p> <p>There are three main projects in Adult Social care covered in this report, these being:</p> <ul style="list-style-type: none"> • Older Person's Accommodation • Integration – including the Better Care Fund • Care Act 		
Financial Investment <input type="checkbox"/>	Financial saving <input type="checkbox"/>	Reputational <input type="checkbox"/>
<p>Current Status:</p> <p>Older Person's Accommodation</p> <p>Following the decision to end the previous procurement exercise, a paper was presented to Cabinet on 3rd March 2015 asking for agreement to a new approach subject to the approval of a detailed business case.</p> <p>The Programme seeks to address future and increasing needs of older people by replacing Council run OPHs with a range of provision including Extra Care housing and independent sector provided registered residential and nursing accommodation.</p> <p>The Council needs to address current shortfalls in provision and ensure that the city is equipped to respond to changing needs and demands. The aim is to see the delivery of up to 336 new units of accommodation by 2018/19 for those with high care needs and a further 197 for those with medium and low care needs and, subject to consultation and Member approval, the closure of York's 225 existing OPH residential care beds by the end of the financial year 2018/19.</p> <p>On 30th July a paper was presented to Executive asking for agreement to proceed with the Older Persons' Accommodation Programme including:</p> <ul style="list-style-type: none"> • funding 24/7 care support at Glen Lodge and Marjorie Waite Court Sheltered Housing with Extra Care schemes; • building a 27 home extension to Glen Lodge; • seeking the building of a new Extra Care scheme on the site of an existing Older Persons' Home • procurement of a new residential care facility as part of the wider Health and Wellness Campus at Burnholme; and 		

- encouraging the development of additional residential care capacity in York including block-purchase of beds to meet the Council's needs.

On 29th October, a paper was presented to Executive on the next phase of the Older Person's Accommodation Programme – deciding the future of Grove House & Oakhaven Older Person's Homes.

Executive were asked to:

- Note the programmes over – arching aims to provide quality accommodation and care now and in the future
- Receive the outcome of the consultation to close both homes and move residents to alternative accommodation
- Agree to the closure of the homes and that residents' move to new homes be carefully planned and managed in line with the Moving Homes Safely Protocol
- Agree that Grove House be sold to generate a capital receipt to support the wider programme
- Agree the procurement of a partner to develop the Oakhaven site as a new Extra Care facility for Acomb.

Integration – including the Better Care Fund

A report on integration was presented to the HWB Board on 21st October. This outlined an ambition to design, commission and deliver health and wellbeing services collaboratively across the Vale of York population.

In order to fund the initiatives which will help deliver the ambitions of the BCF a pooled budget had been agreed between NHS Vale of York Clinical Commissioning Group (CCG) and City of York Council (CYC). For Financial Year 15/16 this initial pooled budget amounted to £12.127M, with the majority of the fund (£11.176M) coming from the CCG.

Since the submission of the BCF plan, there has not been the level of progress expected in many areas, with some elements of the plan under-performing against trajectory and other areas still not in the implementation and delivery phase. The key issues were highlighted in the report to the Health and Wellbeing Board in July.

Care Act

The Care Act brings together a number of existing regulations, and introduces new duties to local authorities to ensure that wellbeing, dignity and choice are at the heart of health and social care. It covers adult social care for anyone over the age of 18.

The first phase of the Care Act came into force on 1 April. The second phase has been postponed by Central Government and is now expected to take effect in 2020.

Key areas of change from April 2015 include:

- general responsibilities on local authorities including promoting people's wellbeing, focusing on prevention and providing information and advice
- the introduction of new national eligibility criteria
- new rights to support for carers on an equivalent basis to the people they care for
- a legal right to a personal budget and direct payment
- the extension of local authority adult social care responsibility to include prisons
- new responsibilities around transition, provider failure, supporting people who move between local authority areas and safeguarding

We have successfully implemented the requirements of part one of the Care Act. As a council we have provided bulletins to the public and our staff covering the following areas:

- Assessment and Eligibility
- Care and Support Planning
- Delegation of Local Authority functions
- Independent advocacy
- Market shaping and commissioning
- Ordinary residence
- Preventing, reducing or delaying needs
- Promoting Wellbeing
- Review of care and support plans
- Safeguarding

Future Outlook:

Older Person's Accommodation:

- The programme will give older people choice by increasing the provision of Extra Care accommodation in York so that more people can continue to live independently in their own home, safely and securely
- Provide at least 90 new Extra Care apartments for those with high care needs in use by summer 2018 with at least 30 of these available by the end of this financial year.
- Deliver dignity and quality in care by replacing existing residential care homes that are no longer fit for purpose with new and purpose built accommodation
- At least 105 new and purpose built residential care beds will be built by 2017 with the Council seeking to "purchase" c30 for use by the residents whose care the Council funds.
- Deliver the promise to provide a Health and Wellness Campus on the site of the now closed Burnholme Community College, giving life to the city's ambitions for greater integration between health, care, sport and leisure and delivering beneficial community facilities and homes in the east of the city
- Approximately 82 care beds (with up to 55 reserved for Council use), community, health and wellbeing facilities as well as homes for local people can be provided by the end of the financial year 2018/19.

Integration and the Better Care Fund (BCF)

In order to move forward with joint commissioning arrangements, pooled budgets and the BCF, a number of initiatives have recently been established with a view to future working.

An Integrated Commissioning Executive (ICE) with senior membership from City of York Council, Vale of York Clinical Commissioning Group and North Yorkshire County Council has recently been established to co-ordinate a consistent approach to commissioning services which deliver the principles of integrated commissioning. Whilst further work is ongoing to finalise the shared work programme for ICE, initial priorities have already been highlighted around the continued development of the Integrated Care pilots, rehabilitation, re-ablement and intermediate care services.

A Provider Alliance Board has been set up with the aim to work collectively across traditional health and social care boundaries as the

most efficient way of delivering safe, seamless and cost-effective out of hospital services for local people.

In general terms the Alliance affords the opportunity for Commissioners to move away from organising multiple contracts with many different providers, each dealing with an element of a patient pathway, towards identifying key outcomes which the Alliance can deliver by all providers working together to provide in a single, seamless pathway.

An outline work programme has been agreed and initially the Alliance will focus on how providers working together can develop the current care hubs from their existing position, and create a single, but flexible model for out of hospital care for the whole area.

In addition, the chief executives and chief officers of City of York Council, North Yorkshire County Council, NHS Scarborough and Ryedale Clinical Commissioning Group, Tees, Esk and Wear Valleys NHS Foundation Trust, NHS Vale of York Clinical Commissioning Group and York Teaching Hospital NHS Foundation Trust have established themselves as a System Leaders Board, committed to:

- working together as partners
- setting direction for their teams to address collective priorities
- unblocking barriers to support effective action
- holding each other to account for delivery.

This board was due to meet for the first time in October and subject to further agreement, will support progress against the priority work areas identified that are being taken forward through a number of other system-wide boards and groups including:

- Provider Alliance Board
- Integrated Commissioning Executive (ICE)
- System Resilience Group (SRG)
- Financial Turnaround Board (FTB)
- A variety of Enabling Workstream Boards

Care Act

The ability to respond effectively to customer requests and to ensure that all customers can access services as required under the Act

requires ICT support to work effectively. The Customer Relationship Management system is being replaced to enable staff to work effectively.

The replacement of our existing system (Lagan) with the new system (Oracle Right Now) provides:

- much increased alignment with the website
- a 'My Account' style function
- provides social media consolidation and proactive management
- provides integration across a number of back office systems facilitating automation, work allocation and monitoring.

The upgrade of existing system, Frameworki to the latest version of a system called Mosaic. This provides case management and finance functionality for payments and billing for Adults Social Care. Alongside the system upgrade, a move to a 'Best Practice' system configuration for workflow and forms. The Care Act necessitates changes to working practices, some of which are supported by the changes in the technology/application.

Key Risks

Older persons Accommodation

Lack of funding to deliver all the elements of the project
 Rising cost of external residential care providers
 Inadequate third sector / independent care provider supply of residential care facilities suitable for people with high dementia and/or physical dependency needs

Integration and BCF

Failure to agree value of BCF
 Lack of progress on joint commissioning
 Complex governance

Care Act

Increased prospect of challenge
 Resource impact
 Delays in ICT – cross dependencies

Reports to:

Executive, DMT, Health and Wellbeing Board, project boards

Project Title	Future operating model
<p data-bbox="236 264 432 300">Description</p> <p data-bbox="236 309 1437 562">The Future operating model project that is looking at the shape of the organisation as a whole and how CYC fits into the wider City, regional and national landscape moving forward. This is in the context of a requirement to modernise as residents needs change with more people likely to require support from social care teams as financial support from central government reduces.</p> <p data-bbox="236 607 842 642">The project is split into three stages:</p> <p data-bbox="236 651 1166 687">September 2015 – December 2015 – Ideas and options</p> <p data-bbox="236 696 1437 949">The work was initiated by CMT at the Service to City meeting in September and all service areas were asked to look at how they could deliver services differently whilst CMT, supported by a cross directorate team, would in parallel look at the shape of the City of York council core. Services are encouraged to explore all possibilities and involve front line staff in the ideas development.</p> <p data-bbox="236 994 1437 1160">The product of this stage will be a series of ideas for service areas and a view of what the core of the organisation would look like depending on the outcome of the evaluation process (stage 2). The evaluation model and process for assessing the ideas will also be designed in this stage.</p> <p data-bbox="236 1205 1374 1240">January 2016 – March 2016 – Options development and evaluation</p> <p data-bbox="236 1249 1422 1720">Once the first round of ideas have been articulated these will then go through a first round of assessment, which is likely to reduce the long list to a short list as the overall shape of the organisation is better understood. Where there are new business models emerging that meet the first viability assessment, the outline business case will be developed for each model. This will then be tested on an evaluation model based on the Treasury Green book and specifically, due to the whole system approach required where there are dependencies across a number of agencies (not just CYC), the usage of the New Economy cost benefit analysis tools. Each piece of work will be dealt with using the new CYC project management methodology.</p> <p data-bbox="236 1765 1406 1930">The product of this stage will be options for an overarching operating model for the council including setting out the relationship with the City and the region (in the context of devolution) and a series of detailed business cases for new delivery models.</p>	

<p>April 2016 onwards Implementation of the overarching operating model for the council and the management of a number of projects (that will have their own timescales) that will implement the alternative delivery models.</p>		
<p>Financial Investment <input type="checkbox"/></p>	<p>Financial saving <input checked="" type="checkbox"/></p>	<p>Reputational <input checked="" type="checkbox"/></p>
<p>Current Status: The project is on track to deliver to outputs from the first stage - the development of ideas. The ideas were shared across the organisation at the November Service to City meeting and the evaluation model is scheduled to be complete by the end of December ready for the second stage in January.</p>		
<p>Future Outlook: Elements for the second stage are in place. The work needs to be closely aligned to the budget proposals for the next 5 years.</p>		
<p>Key Risks Developing ideas in isolation will constrain the ability to get the most out of the work. Failure to engage with frontline staff will limited the breadth of ideas and leave key delivery staff distant from the process and thinking. Misalignment of the work on the budgets may leave business areas in an unfit condition to change their business models.</p>		
<p>Reports to:</p>	<p>Council Management Team</p>	

<p>Project Title</p>	<p>ICT</p>
<p>Description There are four main projects in development at present, these being:</p> <ul style="list-style-type: none"> • Customer Relationship management (CRM) • Mosaic (adults) • Mosaic (children) 	

- Total Mobile

CRM. This project replaces our existing system (Lagan) with a new system (Oracle Right Now.) This will provide much increased alignment with the website and a 'My Account' style function, social media consolidation and proactive management and integration across a number of back office systems facilitating automation, work allocation and monitoring.

The initial implementation costs are 95k, further cost for the entire project have yet to be defined.

Financial Investment <input checked="" type="checkbox"/>	Financial saving <input checked="" type="checkbox"/>	Reputational <input checked="" type="checkbox"/>
---	---	---

Current Status:

CRM. There is a monthly Project board and weekly delivery level meetings with all project management documentation in place. There is business representation from across the authority (membership is currently being defined), ICT and senior customer services representation and the supplier. There are regular updates to Scrutiny Committee.

Mosaic (adults) Upgrade of existing system, Frameworki to latest version of system – Mosaic. Provides case management and finance functionality for payments and billing for Adults Social Care. Alongside the system upgrade, this provides a move to 'Best Practice' system configuration for workflow and forms. This project is in the first phase of agreeing specifications with an aim to go live in June 2016.

This project started in July and is in the procurement phase.

Mosaic (children's) Replacement of children's case management system (Raise) and bespoke fostering payment system (ISIS) with new case management system – Mosaic. Provides case management, group working, ability of all stakeholders to access system and chronology as the main key features. This project is in the first phase of four prior to anticipated live date of January 2016.

Phase 1 has always been conceived principally as the replacement of RAISE and the ISIS Carer Payment system with Mosaic. The following Services will transition fully onto Mosaic from 11 January 2016:

- Referral and Assessment Service

- Child in Need Service
- Child Protection and Looked After Children Service
- Children with Health and Disability Service
- Adoption Service
- Fostering Service
- Short Breaks Service
- Pathway Service
- LAC Support Service
- Children's Social Care payments
- Emergency Duty Team

Additionally, the following Services will use Mosaic as case management system but not fully transition from using other systems concurrently:

- Children's Advice Team
- SEND Service
- Family Focus
- LADO Service

Total Mobile This is a mobile working platform that provides a secure workflow solution that allows entering, managing and scheduling of tasks to staff on a mobile device. Currently deployed within Building Services, with full integration into two lines of business systems.

Future Outlook:

CRM. The adoption of a new CRM system with increased functionality will be a key part of the ICT strategy and support going forward. However, there are resource implications around data cleansing as well as key dependencies on successful skill / knowledge transfer process and the implementation of two other projects (ClearCore and provision of quality customer records and GovTech BECS solution for Revenues and Benefits).

Raise – adults. Work is underway to refine the specifications with the supplier. This will be ongoing but with a view to enable functionality and launch in June 2016.

Raise – children's. Phase 2 will be dominated by small changes to the Go Live Configuration as the system is put into full operational use by nearly 300 users.

Total Mobile. Following the successful deployment within building services, the next development is within Adults Social Care beginning with Mental Health/Learning Disabilities team.

Key Risks

Lack of training resource for users on new systems

Outstanding technical issues

Delays in project initiation

Reports
to:

Project Boards, Scrutiny Committee

Project Title	Public Health 0-19 year olds – The Healthy Child Programme	
<p>Description</p> <p>The Healthy Child Programme (HCP) sets out the recommended framework of services for children and young people aged 0-19 years (25 for Children with a Learning Disability) to promote optimal health and well-being, prevent ill-health and provide early intervention when required. The programme delivers universal services to all children and families including routine screening and developmental checks. Through the programme, families in need of additional support and children who are at risk of poor outcomes can be identified and the appropriate support provided.</p> <p>There are two elements to the programme. The 0-5 years Health Visiting Service and the 5-19 School Nurse service. The council became responsible for commissioning both services from October 2015.</p> <p>Executive agreed on 27th August 2015 to allow the contracts for the existing health visiting, school nursing and National Child Measurement Programme to end on 31 March 2016 and create an “in house” provision with a new delivery model with effect from 1 April 2016. This will mean the TUPE transfer of all staff currently providing this service to the council next April.</p>		
Financial Investment <input checked="" type="checkbox"/>	Financial saving <input type="checkbox"/>	Reputational <input checked="" type="checkbox"/>
<p>Current Status:</p> <p>These services are currently delivered by the York Hospital NHS Foundation Trust. Plans to TUPE transfer the staff across are being developed. The plans include two separate but convergent Project Boards and governance arrangements. One to deal with the transactional aspects of the TUPE transfer, the other to set out the strategy and shape of future service.</p> <p>0-19 Healthy Child Steering Group (Internal facing)</p> <ul style="list-style-type: none"> • Membership has been agreed and attendees invited • Meetings have been diarised fortnightly over next three months initially • Will manage a series of task/finish groups to facilitate TUPE transfer of approximately 50-60 WTE staff 		

- Liaison with outgoing provider
- Liaison with CYC staff
- Transactional pieces of work centres on HR; ICT; Workforce Development; Legal; Facilities
- Chaired by Consultant in Public Health (who also sits on other Board)
- Overarching Project Plan in place
- Reports to DMT monthly

Healthy Child Sub Group of YorOK Board and links to existing work (external facing)

- YorOK Board is well established with elected member involvement
- Includes all stakeholders – health professionals, schools, H&WB Board, parents
- Responsible for scoping exercise to identify
 - Core offer
 - Community based offer for families
 - Targeted offer
 - Future CYC offer that incorporates the HCP with Children's Centres and other Youth services such as Castlegate
- The YorOK Board also launched a public consultation on a proposed 0-19 Healthy Child Service in May of this year. A key element of the consultation has been to seek the views of a wide range of people about how health visiting and school nursing services are currently provided across the city and how the needs of our younger residents can be met in future through a new single 0-19 Healthy Child Service delivering both the HCP 0-5 and 5-19 elements

The two Project Boards (internal and external) share key members such as Consultant in Public Health and senior CSES staff. Whilst the internal group is largely concerned with the detailed transactional work, it will be influenced by the YorOK sub group in terms of strategic direction and future shape of service provision.

Future Outlook:

The transfer of a large number of staff under TUPE is complex, and whilst a great deal of work has to be done by the outgoing provider, there are many tasks that need to be completed both before and after the transfer. Some of the practicalities of these tasks are dependent on other convergent projects and considerations and include:

- Clinical supervision arrangements
- Line management
- Clarification of current and future roles
- Changes to working conditions for some incoming staff
- ICT and reporting requirements
- Facilities and practicalities – where people will sit, equipment etc
- Work practices and ethos
- Organisational culture
- Host of HR issues (pensions, pay, dual workforce, union representation etc)

It is proposed that there will be a two stage delivery, the first with the TUPE transfer of staff into the council, the second, after a period of consultation, the future direction and modelling of the service.

Key Risks

Differing work practices, culture and ICT systems

Incoming staff facilities requirements

Time for due diligence on TUPE transfer staff details

Reports
to:

Executive, Health and Wellbeing Board, DMT, Project
Boards

Support to Projects/Programmes

6. Since the last Audit & Governance Committee, further support has been made available to projects/programmes.

Risk Management Guide

7. There is a comprehensive risk management guide available to staff that has been updated in October 2015 and is based on the corporate risk strategy. The guide covers;
 - Risk Management Cycle within the council
 - Identification and description of risk
 - Key information to include when describing a risk
 - Evaluating and prioritising risks

- Controls and actions
- Key information when describing a control or action
- How to report a risk
- Potential areas of risk
- Report template
- Risk categories
- Risk scoring criteria
- Risk Scoring Matrix

Deployment of a Standard Project/Programme Methodology

8. The CYC programme and project methodology is now captured in a tool kit for managers and is being rolled out to Directorates. The toolkit will need to be refined on a regular basis and it already has been amended to incorporate some of the recommendations made by Mazars in their review of the Older Person's Project and Transformation Programme. It incorporates the Prince2 and MSP methodologies that are recommended as good practice for local government and the toolkit also incorporates the Treasury Green Book approach to the development of business cases. The new project toolkit also integrates the CYC approach to risk management and governance. The material should ensure that all project and programme managers can properly initiate and plan their projects. A summary of the toolkit is appended to this paper.

VERTO

9. In order to complement the project management toolkit and to ensure a consistent, well managed approach to programme and project management, a new web based system is being rolled out. It is called Verto. Each phase of a programme or project is managed within the system and it provides a gateway process for the project manager to ensure that all requirements are met before moving to the next project phase. All work from planning to risk management is controlled in the system and all involved in the projects have access to update and view the information where appropriate. This allows a wider oversight for all stakeholders involved in the projects and those involved in the quality assurance of the systems in place (such as internal audit). During 15/16 all significant projects will move onto this system. As our auditors have identified, it is critical that the information going into the system is of a high quality to ensure proper management and oversight. Further

consideration is being given to how this can be achieved. Audit and Governance Committee have been invited to a demonstration of the Verto system.

Summary

10. This report identifies the most significant projects that the council is undertaking. Further analysis will be undertaken with a view to providing Audit & Governance with a complete list of project management activity.

Recommendations

11. Audit & Governance Committee are asked to consider the project information provided and provide feedback on any further data that they wish to see in future updates.

Reason: To ensure that the committee is kept updated on key programme and project activity.

Contact Details

Author:

Stewart Halliday
Assistant Director
Transformation & Change

Chief Officer Responsible for the report:

Steve Stewart Chief Executive

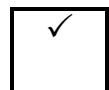
**Report
Approved**



Date 1.12.15

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

All



For further information please contact the author of the report

This page is intentionally left blank

ALL ABOUT PROJECTS

- City of York Council's guide to project management -

Supporting you through projects

Welcome to this guide for better project management.

No two projects are the same, however by following the council's project management framework you'll be adopting a proven process and will receive lots of support to guide your project to a successful conclusion.

A step-by-step approach



Quick Links

[Project FAQs](#)

[End-to-End Approach](#)

[Roles & Responsibilities](#)

Overviews

Stage 1: [Discovery](#)

Stage 2: [Pre-Project](#)

Stage 3: [Initiate](#)

Stage 4: [Plan](#)

Stage 5: [Implement](#)

Stage 6: [Close](#)

Before you start

The basics about embarking on a new project and how this guide can help.

What is a project?

A project is typically described as a ‘temporary group activity designed to deliver one or more product, service or result according to a specified business case.’ In other words:

- A project is **temporary** – it has a clear start and end date, and therefore defined scope and resources
- It has specified **deliverables** (services or products) that can be measured
- It has a **number of tasks** to deliver those services or products
- A project is **unique** - it is not a routine operation (business as usual), but a specific set of operations designed to accomplish one or more goals
- A **project team** often includes people who don’t usually work together – sometimes from different organisations but always with clear roles and responsibilities

Why are we thinking differently about project management?

Like local authorities up and down the country, City of York Council is operating against an increasingly tough financial backdrop. This means revisiting everything we do and the way we do it to look for improvements and savings.

However, regardless of these financial constraints we know we need to change. Residents tell us they want services that are joined-up, easy to access, and responsive to their needs. Communities tell us they want more control over their future and their local areas.

Fast forward to 2020 and City of York Council will be markedly different to what it is now. More streamlined, focused and agile, we will be able to deliver more with less thanks to the big changes we make today. These big changes

are often delivered as projects and it's critically important they are planned, managed and governed in a consistent way. Without clear guidelines in place to support you, it's no surprise that 70% of projects in industry are said to fail.

Thinking differently about Project Management will greatly increase the chances of a project's success. This translates to greater benefits for the people of York as we deliver better, more productive services and solutions and reduce staff stress and inefficiencies along the way.

How will it help me?

First and foremost, following this project management guidance will give your project greater chance of success.

It has been written in such a way as to smoothly guide you through every stage of your project's life, from idea to implementation and completion. Clear checklists and gateways are there to ensure documentation is up-to-date, any issues are identified and resolved, and you receive the support you need to keep everything on track.

As project manager, this structure also helps you to communicate a project's purpose and status when required. This can be particularly useful when briefing or updating stakeholders, such as the project board, service area, Members or the executive team. It can also help to avoid scope creep - *the process by which a project grows beyond its original shape and size*. Projects that are clear about what will be delivered, by when and with what resource will be more likely to work out that way.

What principles are we working to?

In short, all City of York Council projects rely on openness, honesty and enthusiasm to engage if they are to run smoothly and deliver the outcomes originally anticipated. This means:

- ensuring our effort is proportionate, effective and consistent with recognised good practice
- securing a mandate for the work and gain senior management commitment

- assigning clear roles and responsibilities and defined levels of delegated authority
- recording the benefits we want to achieve and evaluating our success
- identifying, assessing and managing any risks involved
- developing a plan showing when objectives will be met, providing assurance and reviewing activities
- identifying the financial requirements and other resources needed to meet project objectives
- identifying those affected by the work and engaging them throughout
- ensuring the transition to business as usual is efficient and effective
- recording lessons learned and sharing them with others

Why have Gateways been introduced?

An effective gateway process is the key to successful project delivery. Each gateway is a short, focused review that occurs at key decision points before the project is allowed to progress to the next stage. They are conducted by experienced practitioners independent of the project team who ensure that the original business case, the project objectives and expected benefits continue to be achieved throughout the lifecycle of the project. The reviews also highlight risks and issues, which if not addressed would threaten successful delivery.

A project must have robust documentation and be deemed on track in terms of being able to deliver its objectives in order to “pass through” the gateways.

Who is this relevant to?

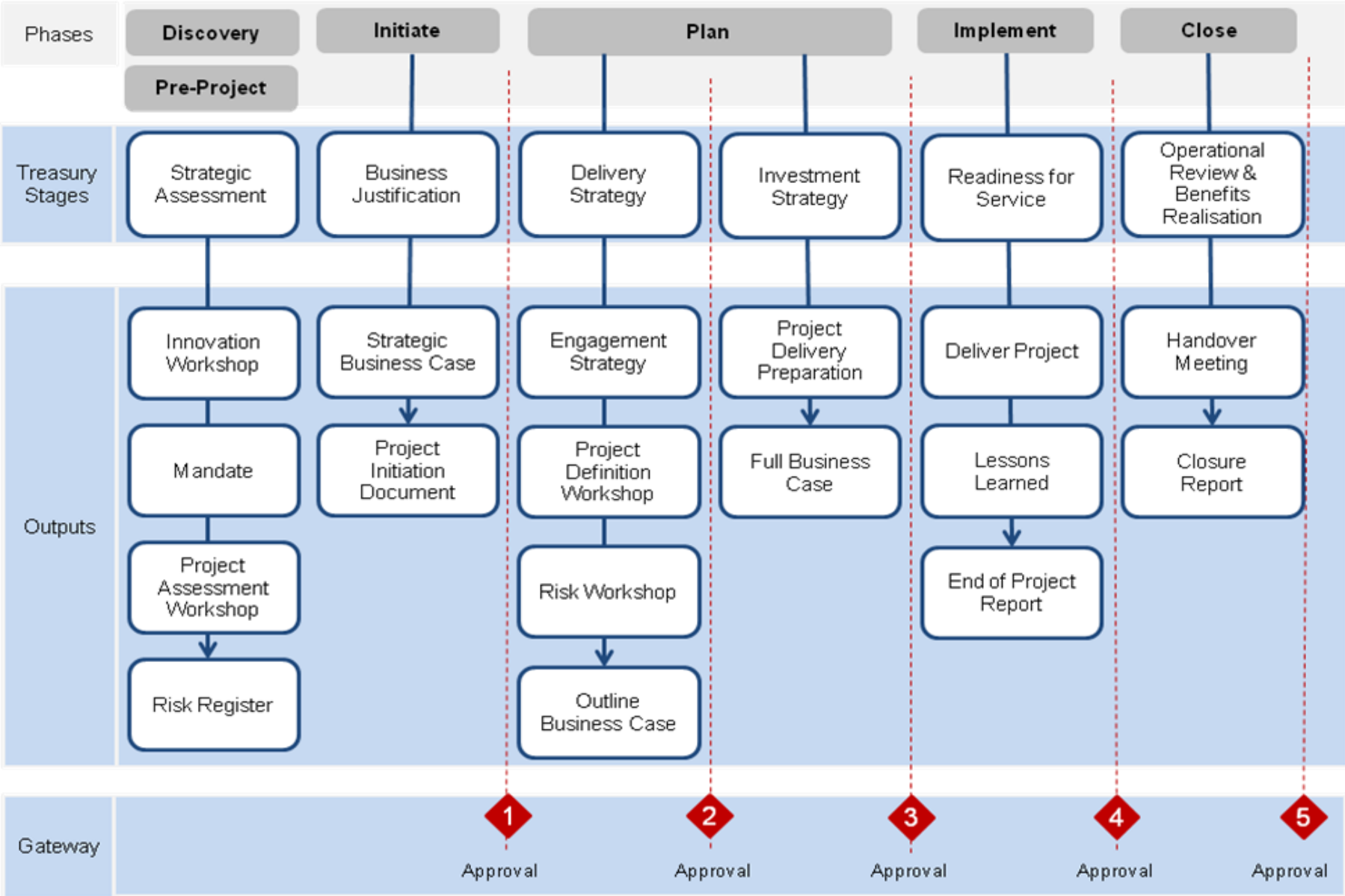
Whilst primarily aimed at project managers, this guide is relevant to anybody the project might touch. This could be the wider project team or sponsor, a team or individual who is asked to contribute in some way, or a senior executive or elected member.

The support and commitment of all of these groups throughout the project's lifecycle is critical to its success.

Who can I turn to for assistance?

The following pages go into more detail on the six stages of any project. In addition to the overall support from your project team and board, each stage includes key contacts and departments that you can call on for specific information or guidance.

End-to-End Approach



Roles & Responsibilities

Every project is a team effort involving many groups of people in its planning, management, governance and ultimate implementation.

The **Project Team** is the group responsible for the planning and execution of the project. It consists of a **Project Manager** who leads project planning and reporting, and a number of Project Team members who are brought in to deliver clear tasks, such as user engagement or cost/benefit analysis.

The [Project Sponsor](#) is typically a senior executive with demonstrable interest in the outcome of the project who is ultimately responsible for approving its business case and resources.

The [Project Board](#) provides direction and management for the project and is the overall authority that is accountable for its success or failure.

The role of the [Gateway Review Team](#) is to gather and analyse the information made available by the project during a gateway review, and to make a proposal on whether the project can proceed to the next phase (or finally close).

<p>Stage 1:</p> <h2>Discovery</h2>	<p>Before you start planning in detail it's important you take the time properly explore the problem and the range of possible solutions with stakeholders, including other departments. This means lots of user research, service stories and co-created delivery models.</p>
<p>Contents</p> <ul style="list-style-type: none"> - Objectives - Evidence - Outcomes - Assistance - Check-list 	<p>Objectives</p> <p>The discovery phase involves engaging service users to better understand and articulate their needs. It begins with a half-day workshop with your project team and your assigned Innovation Project Manager. The internal and external context this provides helps to refine initial ideas and assumptions before co-creating prototypes of potential solutions.</p> <p>In taking an open and collaborative approach throughout the project you will develop a common understanding of what the current state of the service is and what, if any, change is required before you produce a Full Business Case and ask for resources.</p> <p>Evidence</p> <p>Proof of concept comes from talking with users and frontline staff and putting yourself in their shoes. This can be in the form of:</p> <ul style="list-style-type: none"> • workshops • user stories • focus groups <p>The resulting ideas will be explored via:</p> <ul style="list-style-type: none"> • whiteboard diagrams • paper prototypes • service design mock-ups <p>You are expected to record your engagement methods and feedback at this stage to help validate your business case.</p> <p>Outcomes</p> <ul style="list-style-type: none"> • a clearly-defined problem based on user needs • co-created solutions for testing

- stakeholder engagement and buy-in

Assistance

Contact Monica Naore, Innovation Project Manager, to book your half-day innovation workshop.

The council's [*Innovation Space*](#) (West Offices, floor 3) is a fully equipped creative environment away from your team area in which to foster new ideas and gather insight.

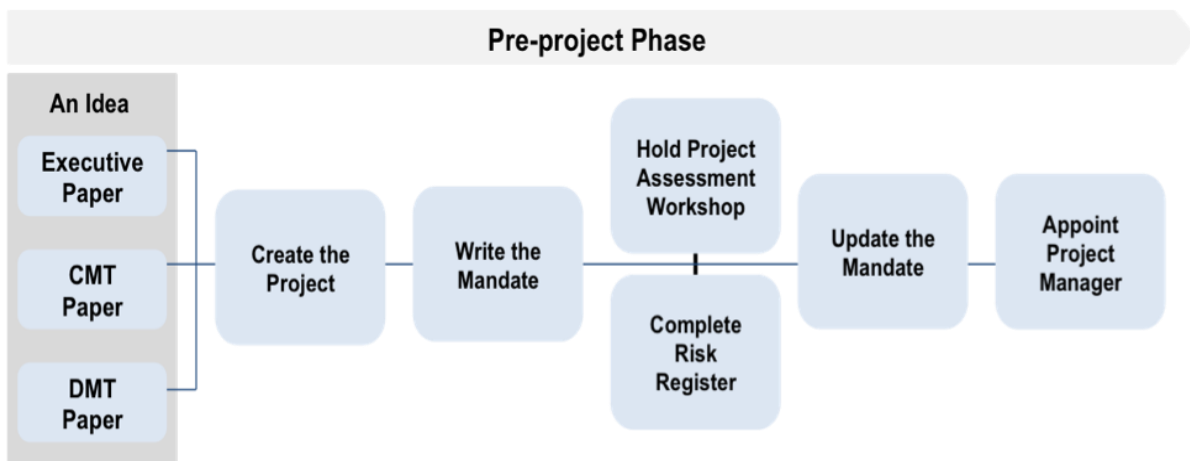
Check-list

Innovation Workshop completed

[]

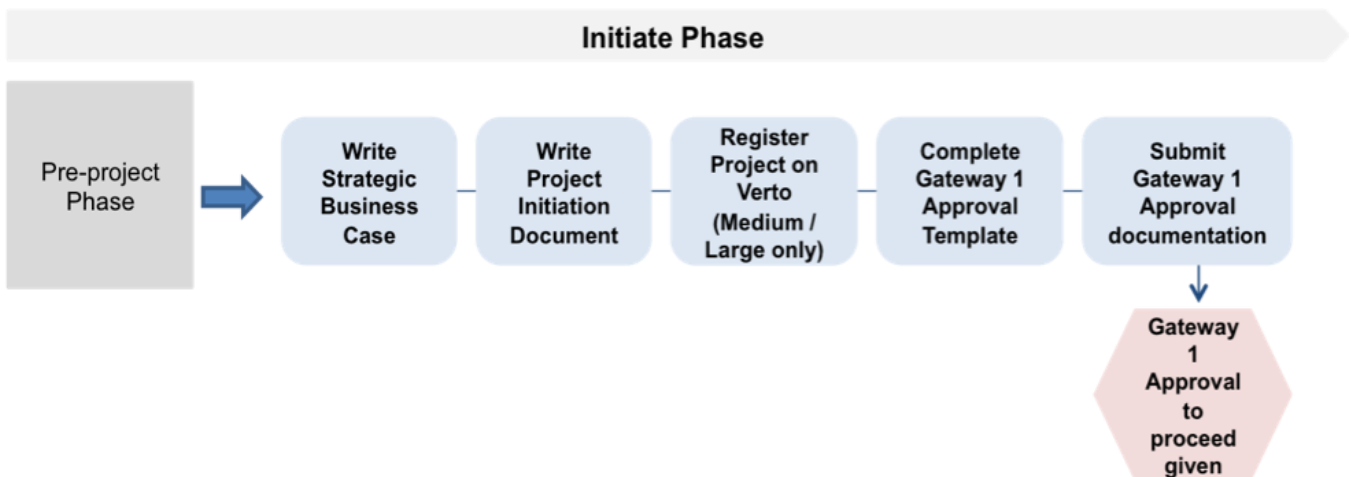
<p>Stage 2:</p> <p><u>Pre-Project</u></p>	<p>This is your opportunity to put your idea forward for approval. You are expected to build a picture of the need for the change and start a sound business case. Colleagues from ICT, Finance and Procurement and HR are on hand to assist you.</p>
<p>Contents</p> <ul style="list-style-type: none"> - Objectives - Evidence - Outcomes - Assistance - Check-list <p>Documents</p> <ul style="list-style-type: none"> - Mandate - Project Assessment Workshop - Project Assessment Matrix - Risk Register 	<p>Objectives</p> <p>The pre-project phase will give those around you a high-level understanding of the project and its intended benefits. The business case will start to become clear and stakeholders will input into the evidence required.</p> <p>Projects are not considered live until passing through this gateway.</p> <p>Evidence</p> <p>The high-level case for action will go in your Mandate form. This is based on a template and must contain all the information a project sponsor would need to make a decision on the early-stage viability of the project, including evidence of user needs and target outcomes.</p> <p>From there a Project Assessment Workshop takes place, where the idea is explored in more detail and introduced to a wider group of stakeholders. It is during this exercise that the Project Assessment Matrix and the initial Risk Register will be completed. These items will inform any updates required to the Mandate.</p> <p>Outcomes</p> <ul style="list-style-type: none"> • A decision from the sponsor to progress to the next stage • Appointment of a Project Manager <p>Please note it is unlikely that you will be able to answer all of the questions at this stage, however by undertaking the process it will help to test and refine the assumptions and early focus of the project.</p>

	<p>Assistance</p> <p>Whilst the nominated individual will lead this stage it is very much a team exercise. Colleagues from ICT, Finance and Procurement and HR will help to build your case and need to be active participants in the Project Assessment Workshop.</p> <p>If you would like assistance in planning your first Workshop, please contact Monica Nagore, Innovation Project Manager.</p> <p>Check-list</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Completed Mandate form</td> <td style="text-align: right; padding: 2px;">[]</td> </tr> <tr> <td style="padding: 2px;">Completed Project Assessment Workshop</td> <td style="text-align: right; padding: 2px;">[]</td> </tr> <tr> <td style="padding: 2px;">Completed Project Assessment Matrix</td> <td style="text-align: right; padding: 2px;">[]</td> </tr> <tr> <td style="padding: 2px;">Completed Risk Register</td> <td style="text-align: right; padding: 2px;">[]</td> </tr> <tr> <td style="padding: 2px;">Project Sponsor sign-off</td> <td style="text-align: right; padding: 2px;">[]</td> </tr> <tr> <td style="padding: 2px;">Project Manager appointed</td> <td style="text-align: right; padding: 2px;">[]</td> </tr> </table>	Completed Mandate form	[]	Completed Project Assessment Workshop	[]	Completed Project Assessment Matrix	[]	Completed Risk Register	[]	Project Sponsor sign-off	[]	Project Manager appointed	[]
Completed Mandate form	[]												
Completed Project Assessment Workshop	[]												
Completed Project Assessment Matrix	[]												
Completed Risk Register	[]												
Project Sponsor sign-off	[]												
Project Manager appointed	[]												



<p>Stage 3:</p> <p><u>Initiate</u></p>	<p>Congratulations your project can now start.</p> <p>The initiate phase adds the next level of detail to your business case and sets the controls for its ongoing management. Your project sponsor is the key stakeholder in this short phase.</p>
<p>Contents</p> <ul style="list-style-type: none"> - Objectives - Evidence - Outcomes - Assistance - Check-list <p>Documents</p> <ul style="list-style-type: none"> - Business Case template - Project Initiation Document template - Gateway Approval 1 Review template 	<p>Objectives</p> <p>As project manager you are expected to develop more detailed evidence for the project against core business aims and council priorities. This enables an objective assessment of the merits of the project and the resources allocated to its delivery.</p> <p>This phase also introduces you to Verto, the council's Project Management System.</p> <p>Evidence</p> <p>The Mandate from the previous phase is developed into a Strategic Business Case. Once agreed, this evolves into the outline business case, considering the range of options available, and then a Full Business Case, outlining the preferred delivery option. The level of information required in the business case will vary depending on the level of scale and complexity of your project.</p> <p>The headline information from your business case then forms the basis of a Project Initiation Document. This is the key contract between you, the project manager, and the project board.</p> <p>It's now time to register and upload the project plan on Verto before the Gateway Approval 1 Review.</p> <p>Remember, there are established rules and procedures for any procurement activity that is required. See the CYC Procurement Toolkit for guidance.</p> <p>Outcomes</p> <ul style="list-style-type: none"> • Project Plan uploaded to Verto • Formal written approval to proceed is given by the project board (medium/large projects) or project sponsor (small) • Resources - staff and finance - allocated to the project

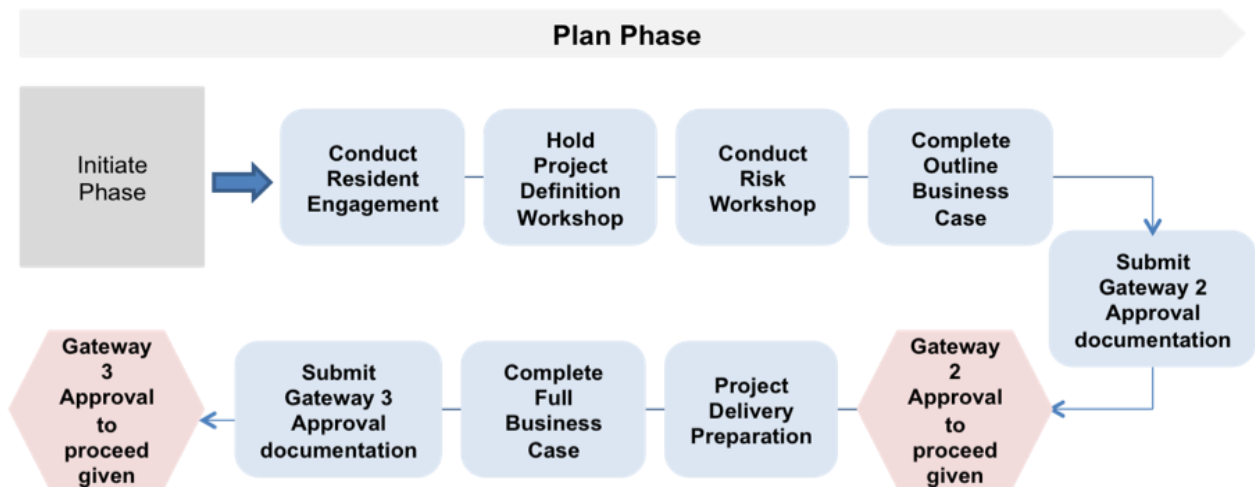
	<p>Assistance</p> <p>As part of your initiation into the project, the project sponsor will talk you through the mandate and project assessment matrix completed in the previous phase of the project.</p> <p>When it comes to developing the business case and project initiation document colleagues from ICT, Finance and Procurement and HR are again on hand to help.</p> <p>Verto training and guidance is provided by Stephen Lornie, Office of the Chief Executive.</p> <p>Check-list</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Business Case completed</td> <td style="text-align: right;">[]</td> </tr> <tr> <td>Project Initiation Document</td> <td style="text-align: right;">[]</td> </tr> <tr> <td>Gateway Approval 1 submission</td> <td style="text-align: right;">[]</td> </tr> <tr> <td>Project uploaded to Verto</td> <td style="text-align: right;">[]</td> </tr> </table>	Business Case completed	[]	Project Initiation Document	[]	Gateway Approval 1 submission	[]	Project uploaded to Verto	[]
Business Case completed	[]								
Project Initiation Document	[]								
Gateway Approval 1 submission	[]								
Project uploaded to Verto	[]								



<p>Stage 4:</p> <h2>Plan</h2>	<p>You're embarking on a project, but what's due to happen and when? Answering questions like these makes this the most detailed phase but the time you invest in planning upfront will give your project greater chance of success.</p>
<h2>Contents</h2> <ul style="list-style-type: none"> - Objectives - Evidence - Outcomes - Assistance - Check-list <h2>Documents</h2> <ul style="list-style-type: none"> - Engagement Strategy template - Project Definition Workshop - Stakeholder Map template - Risk Workshop - Project Plan - Communication Plan - Benefits Realisation Plan - Project Controls - Sample Excel Project Plan - Sample Microsoft Project Plan - Critical Path Analysis 	<h2>Objectives</h2> <p>The Plan Phase is when you turn the idea for the project into a clear plan for how you will achieve it. It is also the opportunity to make sure that all the people involved in the project, or will be affected by it, fully understand what it will achieve and what is expected of them.</p> <p>The detailed plans and budgets you produce will be an invaluable resource throughout the project and will determine how progress is reported. Plenty of support is available to help you through this phase.</p> <h2>Evidence</h2> <p>As residents are at the heart of all our decision-making, you will begin by developing an Engagement Strategy. The council's Approach to Community Engagement is a useful resource here and training is available if you need more help with planning and organising your engagement sessions.</p> <p>Next, the Project Definition Workshop advances your initial project idea by involving internal and external stakeholders in discussions about the project. The workshop will build on the information gathered at the project assessment workshop held in the Initiate phase and the strategic business case. Key outputs are your Stakeholder Map, the Equality Impact Assessment, Privacy Impact Assessment and Key Dates.</p> <p>Holding a Risk Workshop provides you with an opportunity to examine your risk register again in greater detail, identifying any new risks and coming up with solutions to address them. You should invite key stakeholders to the risk workshop, including HR, ICT and Finance and Procurement.</p> <p>These documents feed into a more up-to-date Outline Business Case, accompanied by a Project Plan, Communication Plan,</p>

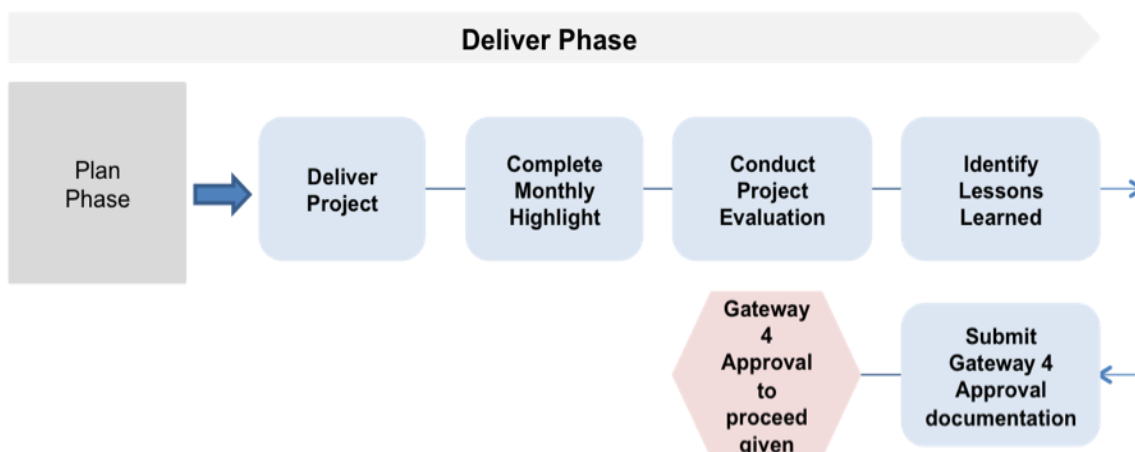
<ul style="list-style-type: none"> - Highlight Report - Full Business Case & Change Request form - Gateway 2 Approval Review - Project Delivery preparation - Gateway 3 Approval Review 	<p>Benefits Realisation Plan, Project Controls and a Highlight Report. Larger and more complex projects may also need to undertake Critical Path Analysis.</p> <p>Now you're ready for the Gateway 2 Approval Review. This review aims assesses the Plan phase so far and checks whether the outline business case and project plan meet expectations. If appropriate, this review will also assess whether your project is ready to invite proposals or tenders from potential suppliers.</p> <p>Once approval is granted the Project Delivery preparation begins as you get ready to start implementing your project, ahead of the full business case being agreed. This includes setting up the financial tracking for the project, ensuring continued risk management, and introducing a lessons learned log and issues log.</p> <p>Lastly, the Full Business Case provides the basis for moving forward into the implementation phase of your project. This is decision is taken at the Gateway 3 Approval Review.</p> <p>Be prepared for a rigorous few weeks of planning with colleagues to get your project ready for the delivery phase.</p> <h3>Outcomes</h3> <ul style="list-style-type: none"> • Robust plans are approved and uploaded onto Verto • Formal approval to proceed to project delivery is granted by scrutiny <h3>Assistance</h3> <p>If you need help the following people can be contacted:</p> <table border="1" data-bbox="564 1505 1481 2076"> <thead> <tr> <th>Area of Expertise</th> <th>Contact</th> </tr> </thead> <tbody> <tr> <td>Risk</td> <td>Lisa Nyhan</td> </tr> <tr> <td>Finance</td> <td rowspan="3">Debbie Mitchell</td> </tr> <tr> <td>Procurement</td> </tr> <tr> <td>Business Case</td> </tr> <tr> <td>Human Resources</td> <td>Mark Bennett</td> </tr> <tr> <td>Legal</td> <td>Glenn McCuster</td> </tr> <tr> <td>Communications</td> <td>Debbie Manson</td> </tr> <tr> <td>Project planning</td> <td>Stewart Halliday</td> </tr> <tr> <td>Engagement with residents, communities, staff and partners</td> <td></td> </tr> </tbody> </table>	Area of Expertise	Contact	Risk	Lisa Nyhan	Finance	Debbie Mitchell	Procurement	Business Case	Human Resources	Mark Bennett	Legal	Glenn McCuster	Communications	Debbie Manson	Project planning	Stewart Halliday	Engagement with residents, communities, staff and partners	
Area of Expertise	Contact																		
Risk	Lisa Nyhan																		
Finance	Debbie Mitchell																		
Procurement																			
Business Case																			
Human Resources	Mark Bennett																		
Legal	Glenn McCuster																		
Communications	Debbie Manson																		
Project planning	Stewart Halliday																		
Engagement with residents, communities, staff and partners																			

	Equality Impact Assessment	Mary Bailey
	Privacy Impact Assessment	Lorraine Lunt
<p>Check-list</p> <p>Engagement Strategy completed []</p> <p>Project Definition Workshop completed []</p> <p>Full Business Case completed []</p> <p>All documentation submitted to Approval Review []</p>		



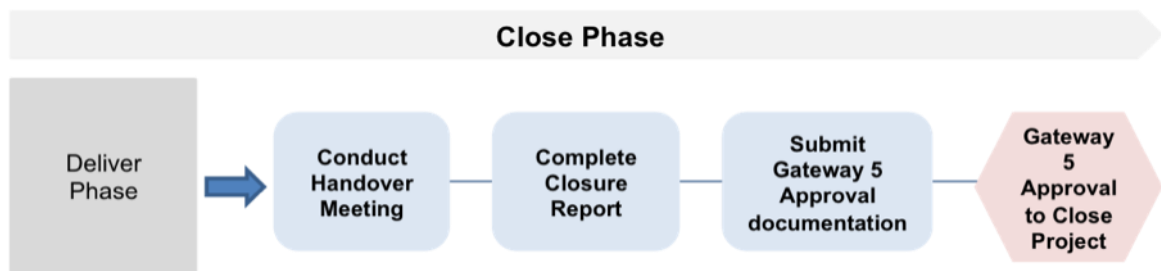
<p>Stage 5:</p> <h2>Implement</h2>	<p>Time to deliver your well-developed plans and go live with a new-look service.</p> <p>As project manager you take on a slightly different role to previous phases; facilitating and reporting progress, preparing services for change, resolving development challenges and managing risk and budgets.</p>
<p>Contents</p> <ul style="list-style-type: none"> - Objectives - Evidence - Outcomes - Assistance - Check-list <p>Documents</p> <ul style="list-style-type: none"> - End of Project Report - Gateway 4 Review Process 	<p>Objectives</p> <p>The Implement Phase is all about building an end-to-end solution.</p> <p>With capacity negotiated in the service area, your project team will start to build, test and review staggered iterations of the final project, making sure to feed in new learnings along the way.</p> <p>You'll be regularly updating stakeholders with progress and measuring performance against the agreed KPIs.</p> <p>Successful implementation will see the project delivered on time and to budget and generating the intended benefits as it is integrated into core business.</p> <p>Evidence</p> <p>Your Project Plan is your main reference point for the journey ahead. Regular project team meetings to discuss progress, evaluate blocks of work, and address issues can help you to be alert to deviations from this document. There may also be times when a special meeting is required when something unexpected happens and actions need to be discussed and agreed.</p> <p>Keeping a close eye on your project in this way will assist you when compiling the Monthly Highlight Report for your project board.</p> <p>During the delivery phase of your project it is important that earlier documentation is kept up-to-date. This includes the full business case, communication plan, issues log and risk register.</p> <p>As your project comes to a close you should prepare an End of Project Report. This is presented as part of Gateway 4 Review Process with the Lessons Learned Report (based on your lessons</p>

	<p>learned log) and is also used by the project board to assess the success of the project, inform future projects and finalise any loose ends.</p> <p>The Review ensures that everything is in place to hand over operations to the service areas, and that ownership arrangements and governance are in place.</p> <p>Outcomes</p> <ul style="list-style-type: none"> • Delivered an end-to-end solution of the service with allocated resources • Met the needs and realised the benefits identified upfront • Tested it with end users and service areas, optimising accordingly • Presented the project board with the evidence to sign off the project as finished <p>Assistance</p> <p>Your project sponsor and the transformation team (Stewart Halliday) will assist you with this Stage.</p> <p>Check-list</p> <table style="width: 100%; border: none;"> <tr> <td>Monthly Highlight Report(s) completed</td> <td style="text-align: right;">[]</td> </tr> <tr> <td>End of Project Report completed</td> <td style="text-align: right;">[]</td> </tr> <tr> <td>Lessons Learned Report completed</td> <td style="text-align: right;">[]</td> </tr> <tr> <td>Documentation for Gateway 4 Review submitted</td> <td style="text-align: right;">[]</td> </tr> </table>	Monthly Highlight Report(s) completed	[]	End of Project Report completed	[]	Lessons Learned Report completed	[]	Documentation for Gateway 4 Review submitted	[]
Monthly Highlight Report(s) completed	[]								
End of Project Report completed	[]								
Lessons Learned Report completed	[]								
Documentation for Gateway 4 Review submitted	[]								



<p>Stage 6:</p> <p>Close</p>	<p>Congratulations, your project is now integrated into the everyday operations of the council.</p> <p>Your final tasks as project manager are to assist with a handover to the service area and the overall evaluation of the project.</p>
<p>Contents</p> <ul style="list-style-type: none"> - Objectives - Evidence - Outcomes - Assistance - Check-list <p>Documents</p> <ul style="list-style-type: none"> - Handover Meeting Agenda Template - Project Closure Report Template - Gateway 5 Review Template 	<p>Objectives</p> <p>The objective of this phase is to bring the project to a formal close.</p> <p>It is a good time to celebrate the successes of the project and reflect on the lessons learned. Perhaps the most important question here is: ‘would we do this again in the same way?’</p> <p>In transferring ownership to the service area, you will track whether the anticipated benefits at this stage are being realised and confirm sufficient resources are in place for their ongoing delivery.</p> <p>Evidence</p> <p>The previous Gateway may have highlighted tasks that need to be completed before your project is ready to be handed over. Once these have been completed the project can be handed to the service area at a Handover Meeting. This is a good opportunity for the project team to answer any questions they might have and to provide any legally required documentation e.g. related to a policy change, compliance with statutory legislation, or health and safety.</p> <p>The Project Closure Report is the final document you will produce. It assesses the success of the whole project, including the operational running of the changes since handover and the views of service users, residents, staff and partners.</p> <p>Finally, the Gateway 5 Review confirms that the project was delivered to plan, that outputs have been achieved, and that benefits and outcomes have been realised.</p> <p>Outcomes</p> <ul style="list-style-type: none"> • Ownership transferred to a fully trained and equipped

	<p>Service Area</p> <ul style="list-style-type: none"> • Project evaluated and benefits beginning to be realised • Lessons learned inform future projects • Project signed-off and contractors engaged on the project formally released <p>Assistance</p> <p>Your project sponsor and the transformation team (Stewart Halliday) will assist you with the handover process and final gateway report.</p> <p>Check-list</p> <table style="width: 100%; border: none;"> <tr> <td>Handover Meeting held</td> <td style="text-align: right;">[]</td> </tr> <tr> <td>Project Closure report written</td> <td style="text-align: right;">[]</td> </tr> <tr> <td>Lessons learned shared</td> <td style="text-align: right;">[]</td> </tr> <tr> <td>Gateway 5 Approval Review passed</td> <td style="text-align: right;">[]</td> </tr> </table>	Handover Meeting held	[]	Project Closure report written	[]	Lessons learned shared	[]	Gateway 5 Approval Review passed	[]
Handover Meeting held	[]								
Project Closure report written	[]								
Lessons learned shared	[]								
Gateway 5 Approval Review passed	[]								



This page is intentionally left blank



Audit & Governance Committee

Report of the Director of Customer & Business Support Services

Update on Information Governance

Background

1. This report provides Members with an update on information governance developments since the last report to this committee in June 2015.

Summary

2. Following an agreement to review the council's approach to and provision of, information governance and management, including the Local Government Transparency Code 2015 requirements, work has been progressing to implement internal audit report recommendations as well as best practice developed by the government and the Information Commissioner's Office (ICO) including their codes of practice.
3. Furthermore, following our agreement with the ICO to an audit of our processing of personal data, in three key scope areas of records management, data sharing and subject access requests, we have received the ICO's final report and audit opinion. This was a constructive process and provides us with real benefits and opportunities to continue to make improvements across all areas of information governance.

Recent achievements and information update

4. The following work and progress has been undertaken since the last report to this committee:
 - a. Please see annex 1 for the latest performance report for responding to enquiries under Freedom of Information, Environmental Information Regulations and Data Protection subject access requests. We continue to improve our response performance alongside managing the increased number and complexity of enquiries.

- b. Please see annex 2 for the latest performance report for responding to request for internal reviews under Freedom of Information, Environmental Information Regulations and Data Protection subject access requests and also, responding to Information Commissioner's Office cases.
- c. Please see annex 3 for the ICO data protection audit report Executive Summary (November 2015). The headlines from this audit are as follows:

Areas of good practice

- Policy compliance software has been implemented and was reported to be working effectively to communicate key policies to staff and ensure that they have read them.
- Secure storage facilities and thorough archive procedures were in place at Yorkcraft.
- Quarterly information security checks are carried out at the council's two main offices and formal audit reports are produced and presented to the Corporate Information Governance Group (CIGG).
- The Multi Agency Information Sharing Protocol is a good model for Information Sharing Agreements (ISAs) because it is a high level agreement setting out common rules to be followed by all partners and is intended to be used as a basis for future ISAs.

Areas for improvement

- Many services did not have up-to-date retention schedules and many staff seemed unsure about who was responsible for monitoring retention periods.
- Records management does not currently feature regularly on the Corporate Information Governance Group (CIGG) agenda to mandate and monitor records management improvements.
- The Council is in a transitional period in relation to its Subject Access Requests (SAR) processes and therefore many new procedures need to be formally documented and embedded.
- SARs compliance rates between 1st April 2014 and 31st March 2015 were very low, at 51.1%.
- There is no systematic data sharing training in place and no council wide training needs analysis to identify the requirement for such training.
- The Council's privacy impact assessment process is yet to be fully developed and implemented.

Overall conclusion

- Limited Assurance – *there is limited level of assurance that processes and procedures are in place and delivering data protection compliance. The audit has identified considerable scope for improvement in existing arrangements to reduce the risk of non-compliance with the DPA .*

Our response and action planning

We accepted the recommendations made in each of the three scope areas and are underway with implementing the action plan. This can be found at annex 4.

We also agreed for the publication of the Executive Summary on the ICO's website on 27th November 2015.

ICO Follow-up

The ICO will undertake a desk-based follow-up of the audit in May 2016 to assess our progress against the recommendations.

- d. The Health and Social Care Information Centre information governance toolkit assessment is due for renewal by March 2016 and work will start on attaining this again later in the year. We will be aligning the actions to complete this with the ICO audit action plan.
- e. Creation of new roles within the Customer Feedback Team to support the increased caseloads across all customer feedback areas, including complaints, FOI enquiries, SAR requests as well as the transfer to this council team, of all information governance requirements from Veritau, which is to be completed by end of 2015.
- f. The high visibility campaign (Th!nk Privacy) to drive home the importance of information and data security was delivered to councillors.
- g. The former Corporate Information Governance Group has been revamped and renamed the "Information Management Board" . The Board comprises directorate information guardians and subject leads/experts and exists to provide leadership in the development, delivery and compliance management for information governance and records management across the council.

Consultation

5. Not relevant for the purpose of this report.

Options

6. Not relevant for the purpose of this report.

Analysis

7. Not relevant for the purpose of this report.

Council Plan

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

Implications

9. There are no implications to this report in relation to:-

- **Financial**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information & Communications Technology (ICT)**
- **Property**
- **Other**

Risk Management

10. The council may face financial and reputational risks if the information it holds is not managed and protected effectively. For example, the ICO can levy fines up to £500k for serious data security breaches. The failure to identify and manage information risks may diminish the council's overall effectiveness.

Recommendations

11. Members are asked to consider and note the contents of this report, in particular the achievements made, as well as the opportunities and challenges we have from the ICO audit.

Reason: To ensure that Members are kept updated on information governance developments.

Contact Details

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

Lorraine Lunt
Transparency & Feedback
Team Manager
Customer & Business
Support Services
Telephone: 01904 552247

Ian Floyd
Director of CBSS
Telephone: 01904 551100

**Report
Approved**



Date 27.11.15

Specialist Implications Officers

Assistant Director of Governance and ICT

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers:

None

Annexes

- Annex 1 – FOIs EIRs SARs April to August 2015
- Annex 2 – April to September 2015 reviews & ICO
- Annex 3 – ICO – Executive Summary Report November 2015
- Annex 4 – ICO Report (redacted), including audit action and progress plan

This page is intentionally left blank

Previous annual figures for FOIs

	total received	In time	Out of time	% in time
2011 - 2012	804	698	106	86.80%
2012 - 2013	954	715	239	74.90%
2013 - 2014	1384	1121	263	81.0%
2014 - 2015	1864	1727	112	94.1 %

Previous annual figure for SARs

SAR 1st April 2014 to 31st March 2015				
Total received	In time	% in time	Not pursued	% not pursued
131	67	51.10%	25	19.10%

For 1st April 2105 to 31st August 2015

	Total received	In time	Out of time	% in time	% out of time
EIR	126	125	1	99.2%	0.8%
FOI	552	527	25	95.5%	4.5%
combined/sub total for FOI & EIR	678	652	26	96.2%	3.8%
DP/SAR	30	25	5	83.3%	16.6%

Headlines for the 5 month period 1st April to 31st August 2015:

SAR in time responses have increased by 32.2%

Previously we were not recording/reporting separately FOI and EIR performance, however based on combined figures, there continues to be an improvement for in time responses by 2.1%

This page is intentionally left blank

Annex 2

FOI - Internal reviews handled Apr 2015 - Sep 2015

F= outcome in favour of the Council, P= outcome partially in favour of the Council, A= outcome against the Council

REASONS FOR REVIEW	Total	April			May			June			July			August			September			October			November			December			January			February			March		
		F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A			
No response	5	1							1			2			1																						
Response outside 20 working days	1											1																									
Incomplete response	4				1											2	1																				
Application of exemption	9							2				1		4	2																						
Non-provision of information	3	1			1			1																													
Outcome total	22	2	0	0	2	0	0	3	0	1	0	1	3	4	2	1	2	1	0																		
Outstanding	0																																				
Total	22																																				

ICO complaints handled Apr 2015 - Sep 2015

F= outcome in favour of the Council, P= outcome partially in favour of the Council, A= outcome against the Council

REASONS FOR REVIEW	Total	April			May			June			July			August			September			October			November			December			January			February			March		
		F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A	F	P	A			
No response	3			1									1*			1																					
Response outside 20 working days																																					
Incomplete response																																					
Application of exemption																																					
Information inaccurate																																					
No response to review																																					
Outcome total	3	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0																		
Outstanding																																					
Total																																					
Decision notices																																					

* This was a follow up to an earlier Decision Notice which had required a reply.

City of York Council

Data protection audit report

Executive summary
November 2015

1. Background

- 1.1 The Information Commissioner is responsible for enforcing and promoting compliance with the Data Protection Act 1998 (the DPA). Section 51 (7) of the DPA contains a provision giving the Information Commissioner power to assess any organisation's processing of personal data for the following of 'good practice', with the agreement of the data controller. This is done through a consensual audit.
- 1.2 The Information Commissioner's Office (ICO) sees auditing as a constructive process with real benefits for data controllers and so aims to establish a participative approach.
- 1.3 After two offers of a data protection audit by ICO Good Practice and following a data protection breach, a further offer by the ICO Enforcement Department, City of York Council (CYC) agreed to a consensual audit by the ICO of its processing of personal data.
- 1.4 An introductory telephone conference was held on 12th June 2015 with representatives of CYC to identify and discuss the scope of the audit and after that on 30th July 2015 to agree the schedule of interviews.

2. Scope of the audit

- 2.1 Following pre-audit discussions with CYC, it was agreed that the audit would focus on the following areas:
- a. Records management (manual and electronic) – The processes in place for managing both manual and electronic records containing personal data. This will include controls in place to monitor the creation, maintenance, storage, movement, retention and destruction of personal data records.
 - b. Subject access requests - The procedures in operation for recognising and responding to individuals' requests for access to their personal data.
 - c. Data sharing - The design and operation of controls to ensure the sharing of personal data complies with the principles of the Data Protection Act 1998 and the good practice recommendations set out in the Information Commissioner's Data Sharing Code of Practice.
- 2.2 The audit included visits to the adult and children's social care departments, plus other relevant teams or individuals identified by CYC, in line with the agreed scope areas.
- 2.3 The audit scope areas were chosen to reflect levels of risk agreed mutually between CYC and the ICO. CYC agreed for the ICO to audit areas where it was known that improvements could be made or where processes were in transition in order for the audit to be mutually beneficial.

3. Audit opinion

Overall Conclusion	
Limited assurance	<p>There is a limited level of assurance that processes and procedures are in place and delivering data protection compliance. The audit has identified considerable scope for improvement in existing arrangements to reduce the risk of non-compliance with the DPA.</p> <p>We have made limited assurance assessments across all three scope areas: records management; subject access requests; and data sharing where controls could be enhanced to address the issues summarised below and presented fully in the 'detailed findings' and 'action plan'.</p>

4. Summary of audit findings

Areas of good practice

Policy compliance software has been implemented and was reported to be working effectively to communicate key policies to staff and ensure that they have read them.

Secure storage facilities and thorough archive procedures were in place at Yorkcraft.

Quarterly information security checks are carried out at the council's two main offices and formal audit reports are produced and presented to the Corporate Information Governance Group (CIGG).

The MAISP is a good model for Information Sharing Agreements (ISAs) because it is a high level agreement setting out common rules to be followed by all partners and is intended to be used as a basis for future ISAs.

Areas for improvement

Many services did not have up-to-date retention schedules and many staff seemed unsure about who was responsible for monitoring retention periods.

Records management does not currently feature regularly on the CIGG agenda to mandate and monitor records management improvements.

CYC is in a transitional period in relation to its SARs processes and therefore many new procedures need to be formally documented and embedded.

SARs compliance rates between 1st April 2014 and 31st March 2015 were very low, at 51.1%.

There is no systematic data sharing training in place and no council wide information governance training needs analysis to identify the requirement for such training.

CYC's PIA process is yet to be fully developed and implemented.

The matters arising in this report are only those that came to our attention during the course of the audit and are not necessarily a comprehensive statement of all the areas requiring improvement.

The responsibility for ensuring that there are adequate risk management, governance and internal control arrangements in place rest with the management of City of York Council.

We take all reasonable care to ensure that our audit report is fair and accurate but cannot accept any liability to any person or organisation, including any third party, for any loss or damage suffered or costs incurred by it arising out of, or in connection with, the use of this report, however such loss or damage is caused. We cannot accept liability for loss occasioned to any person or organisation, including any third party, acting or refraining from acting as a result of any information contained in this report.

City of York Council

Data protection audit report

Auditors: Christine Eckersley (Audit Team Manager)
Stephanie Blears (Engagement Lead Auditor)
Michael Stephenson (Lead Auditor)

Data controller contacts: Andrew Docherty (Assistant Director, Customer and Business Support Services)
Lorraine Lunt (Transparency and Feedback Team Manager)

Distribution: Andrew Docherty (Assistant Director, Customer and Business Support Services)
Lorraine Lunt (Transparency and Feedback Team Manager)

Date of first draft: 7 September 2015

Date of second draft: 13 October 2015

Date of final draft: 12 November 2015

Date issued: 12 November 2015

The matters arising in this report are only those that came to our attention during the course of the audit and are not necessarily a comprehensive statement of all the areas requiring improvement.

The responsibility for ensuring that there are adequate risk management, governance and internal control arrangements in place rests with the management of the City of York Council.

We take all reasonable care to ensure that our audit report is fair and accurate but cannot accept any liability to any person or organisation, including any third party, for any loss or damage suffered or costs incurred by it arising out of, or in connection with, the use of this report, however such loss or damage is caused. We cannot accept liability for loss occasioned to any person or organisation, including any third party, acting or refraining from acting as a result of any information contained in this report.

Contents

1. Background	page 04
2. Scope of the audit	page 05
3. Audit opinion	page 06
4. Summary of audit findings	page 07
5. Audit approach	page 08
6. Audit grading	page 09
7. Detailed findings and action plan	page 10
8. Appendix A	page 52

1. Background

- 1.1 The Information Commissioner is responsible for enforcing and promoting compliance with the Data Protection Act 1998 (the DPA). Section 51 (7) of the DPA contains a provision giving the Information Commissioner power to assess any organisation's processing of personal data for the following of 'good practice', with the agreement of the data controller. This is done through a consensual audit.
- 1.2 The Information Commissioner's Office (ICO) sees auditing as a constructive process with real benefits for data controllers and so aims to establish a participative approach.
- 1.3 After two offers of a data protection audit by ICO Good Practice and following a data protection breach, a further offer by the ICO Enforcement Department, City of York Council (CYC) agreed to a consensual audit by the ICO of its processing of personal data.
- 1.4 An introductory telephone conference was held on 12th June 2015 with representatives of CYC to identify and discuss the scope of the audit and after that on 30th July 2015 to agree the schedule of interviews.

2. Scope of the audit

- 2.1 Following pre-audit discussions with CYC, it was agreed that the audit would focus on the following areas:
- a. Records management (manual and electronic) – The processes in place for managing both manual and electronic records containing personal data. This will include controls in place to monitor the creation, maintenance, storage, movement, retention and destruction of personal data records.
 - b. Subject access requests - The procedures in operation for recognising and responding to individuals' requests for access to their personal data.
 - c. Data sharing - The design and operation of controls to ensure the sharing of personal data complies with the principles of the Data Protection Act 1998 and the good practice recommendations set out in the Information Commissioner's Data Sharing Code of Practice.
- 2.2 The audit included visits to the adult and children's social care departments, plus other relevant teams or individuals identified by CYC, in line with the agreed scope areas.
- 2.3 The audit scope areas were chosen to reflect levels of risk agreed mutually between CYC and the ICO. CYC agreed for the ICO to audit areas where it was known that improvements could be made or where processes were in transition in order for the audit to be mutually beneficial.

3. Audit opinion

- 3.1 The purpose of the audit is to provide the Information Commissioner and the City of York Council with an independent assurance of the extent to which CYC, within the scope of this agreed audit, is complying with the DPA.
- 3.2 The recommendations made are primarily around enhancing existing processes to facilitate compliance with the DPA.

Overall Conclusion	
Limited assurance	<p>There is a limited level of assurance that processes and procedures are in place and delivering data protection compliance. The audit has identified considerable scope for improvement in existing arrangements to reduce the risk of non-compliance with the DPA.</p> <p>We have made limited assurance assessments across all three scope areas: records management; subject access requests; and data sharing where controls could be enhanced to address the issues summarised below and presented fully in the 'detailed findings' and 'action plan' (appendix A) of this report.</p>

4. Summary of audit findings

4.1 Areas of good practice

- Policy compliance software has been implemented and was reported to be working effectively to communicate key policies to staff and ensure that they have read them.
- Secure storage facilities and thorough archive procedures were in place at Yorkcraft.
- Quarterly information security checks are carried out at the council's two main offices and formal audit reports are produced and presented to the Corporate Information Governance Group (CIGG).
- The MAISP is a good model for Information Sharing Agreements (ISAs) because it is a high level agreement setting out common rules to be followed by all partners and is intended to be used as a basis for future ISAs.

4.2 Areas for improvement

- Many services did not have up-to-date retention schedules and many staff seemed unsure about who was responsible for monitoring retention periods.
- Records management does not currently feature regularly on the CIGG agenda to mandate and monitor records management improvements.
- CYC is in a transitional period in relation to its SARs processes and therefore many new procedures need to be formally documented and embedded.
- SARs compliance rates between 1st April 2014 and 31st March 2015 were very low, at 51.1%.
- There is no systematic data sharing training in place and no council wide information governance training needs analysis to identify the requirement for such training.
- CYC's PIA process is yet to be fully developed and implemented.

5. Audit approach

- 5.1 The audit was conducted following the Information Commissioner's data protection audit methodology. The key elements of this are a desk-based review of selected policies and procedures, on-site visits including interviews with selected staff, and an inspection of selected records.
- 5.2 The audit field work was undertaken at West Offices and Yorkcraft from 18th August 2015 to 20th August 2015.

6. Audit grading

6.1 Audit reports are graded with an overall assurance opinion, and any issues and associated recommendations are classified individually to denote their relative importance, in accordance with the following definitions.

Colour code	Internal audit opinion	Recommendation priority	Definitions
	High assurance	Minor points only are likely to be raised	There is a high level of assurance that processes and procedures are in place and are delivering data protection compliance. The audit has identified only limited scope for improvement in existing arrangements and as such it is not anticipated that significant further action is required to reduce the risk of non-compliance with the DPA.
	Reasonable assurance	Low priority	There is a reasonable level of assurance that processes and procedures are in place and are delivering data protection compliance. The audit has identified some scope for improvement in existing arrangements to reduce the risk of non-compliance with the DPA.
	Limited assurance	Medium priority	There is a limited level of assurance that processes and procedures are in place and are delivering data protection compliance. The audit has identified considerable scope for improvement in existing arrangements to reduce the risk of non-compliance with the DPA.
	Very limited assurance	High priority	There is a very limited level of assurance that processes and procedures are in place and are delivering data protection compliance. The audit has identified a substantial risk that the objective of data protection compliance will not be achieved. Immediate action is required to improve the control environment.

7. Detailed findings and action plan

7.1 Scope a: Records Management – The processes in place for managing both electronic and manual records containing personal data. This will include controls in place to monitor the creation, maintenance, storage, movement, retention and destruction of personal data records.

Risk: In the absence of appropriate Records Management processes, there is a risk that records may not be processed in compliance with the Data Protection Act 1998, resulting in regulatory action by the Information Commissioner's Office, reputational damage to the data controller and/or damage and distress to individuals.

a1. Information governance (IG), which includes the records management function, is now within the Customer and Business Support Services (CBSS). It is part of Legal, Civic and Democratic Services, following a restructure and the creation of a new operational post, 'Transparency & Feedback Team Manager' in April 2015. Therefore, this structure is still in its infancy.

a2. The Director of CBSS, who is also the Deputy Chief Executive Officer and the Senior Information Risk Owner (SIRO), has lead responsibility for the strategic direction and oversight of IG. For instance, the SIRO chairs the Corporate Information Governance Group (CIGG) is responsible for the Annual Governance Statement, and is the lead officer for Audit and Governance and has taken a number of reports to the Audit & Governance Committee.

a3. The Assistant Director of Governance and ICT reports to the SIRO, and it was confirmed during interviews that he now also has strategic responsibility for records management and some operational responsibilities. The Assistant Director of Governance and ICT, now line manages the Transparency and Feedback Team Manager.

a4. The new operational post, Transparency and Feedback Team Manager, sits within the Customer Complaints and Feedback Team (referred to as the 'council team' hereinafter). It was reported that this is an operational post within which the post holder also has operational responsibilities for records management. The Transparency and Feedback Team Manager is supported by the [REDACTED] [REDACTED] both post holders were interviewed and appeared to have detailed knowledge of how the information governance function is working day-to-day.

a5. A report issued to the Audit & Governance Committee in June 2015 from the SIRO, highlights the responsibilities of the Transparency and Feedback Team Manager. These include "providing strategic leadership in the development and delivery of the council's IG arrangements, including delivering priorities such as: the council's Information Governance Strategy; the council's data protection and information security arrangements; records management; and transparency of information". In addition to this, a job description for 'a new Information Governance Manager' was provided for review. As the new post has a different title, this seems to be an inherited job description although it appears to be consistent with the majority of responsibilities

reported onsite. This job description stated that the purpose and main objectives of the post are to “provide strategic leadership in the development and delivery of the Council’s information governance arrangements” including the records management function. However, the job description also details operational responsibilities such as providing expert advice, supporting related training and supporting the implementation of strategies and policies. Therefore, there is some inconsistency in the reports onsite and the documented report and job description provided, as to whether this post attracts operational or strategic responsibility for records management.

Recommendation: Ensure that the job description for the Transparency and Feedback Team Manager accurately reflects the newly assigned responsibilities for information governance, incorporating records management. There should be a clear distinction between post holders with strategic responsibility and post holders with operational responsibility for the records management function.

Management response: Accepted
CYC will review current job description to ensure clarity for strategic and operational responsibilities for records management.

Owner: Andy Docherty, Assistant Director

Date for implementation: 31st December 2015

a6. Prior to the creation of the Transparency and Feedback Team Manager post, CYC did not have a dedicated post holder with operational responsibility for the records management function since its last Records Manager left over a year ago. IG is currently outsourced to Veritau, which is a joint company set up between CYC and North Yorkshire County Council. Veritau essentially consists of both Councils’ audit and fraud teams. The Head of Veritau reports to the SIRO who chairs the company. Responsibility is currently being transferred back into CYC using a staggered approach,

to ensure operational control and overall accountability clearly sits within CYC.

a7. It was encouraging to hear reports that the SIRO has led on investing in resource for the restructure of the council team to support the operational aspects of the Council’s information governance arrangements incorporating the records management function.

a8. CYC also has a ‘Facilities Management Scanning and Mail Unit’. This unit’s services include: scanning documents onto the Council’s Electronic Document and Records Management System (‘Documentum’), either as part of day-to-day Council business or for projects i.e. move to offices with less storage space for paper records; storing scanned documents and arranging for their transfer to offsite storage; and delivering and collecting post. The services of this unit are corporate wide.

a9. CYC’s Records Management Policy sets out ‘directorate/service team manager’ responsibilities which include: “to ensure that appropriate staff are designated to assist and support the implementation of records management procedures within each service area”. However, there was no evidence to suggest that local responsibilities had been assigned.

Recommendation: Assign local records management responsibilities in line with the requirements of the Records Management Policy.

Management response: Accepted
CYC will identify and assign local records management responsibilities in line with the reviewed/updated Records Management Policy.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th June 2016

a10. The Records Management Policy also sets out service management team and staff responsibilities. All staff are required to: adhere to the policy; ensure actions and decisions taken in the course of business are properly recorded; ensure the proper filing of records so that a colleague can easily find them; and ensure the proper disposal of records via the corporate confidential waste procedures and in accordance with the an agreed retention schedule. Service Management Team responsibilities include: ensuring implementation of the policy; ensuring local responsibilities are assigned; supporting staff in records management training; assigning owners to records; ensuring that records are stored with proper access arrangements and levels of security commensurate with their level of confidentiality; ensuring that electronic records are stored in a consistently ordered filing structure with an agreed retention schedule applied.

a11. The steering group in place for information governance is the Corporate Information Governance Group ('CIGG'). The group's Terms of Reference provide that it has overall responsibility "for the development and implementation of an effective corporate strategy to ensure CYC complies with its responsibilities for data protection, freedom of information and records management".

a12. However, it was reported that records management has not featured regularly on the CIGG agenda for at least twelve months. Interviewees explained that there was a big push on records management in line with office move two and a half years ago. This is in line with CYC's Information Governance Strategy produced in 2010 which states "*The move to the new council Headquarters (...) is actually a once-in-a-lifetime opportunity to put records management in good order and the principal tool to do so, the Documentum EDRMS, is already in place.*" It was also reported that more recently, the CIGG has focused on information governance issues attracting reputational risk

such as its compliance with Freedom of Information (FOI) requests. There were reports of intentions to ensure that records management is put back onto the CIGG agenda.

Recommendation: Ensure that records management features regularly on the CIGG agenda to mandate and monitor records management improvements.

Management response: Accepted
CYC has completed the review of the CIGG terms of reference which will now be the Information Management Board (IMB) and includes records management including monitoring and compliance, in its purpose, aim, remit and objectives. The first meeting is planned for mid-November at which the standard agenda items will be approved.
Owner: Lorraine Lunt, Transparency & Feedback Team Manager
Date for implementation: 31st December 2015

a13. The group is chaired by the SIRO and attended by the Assistant Director of Governance and ICT, the Transparency and Feedback Team Manager (who has been attending since the end of last year) and representatives from each directorate, some of whom are nominated Information Asset Owners. The group's Terms of Reference state that it meets eight times a year or approximately every 6 weeks.

a14. CYC does not currently have a targeted programme of work for records management as required by the current Records Management Policy. It was reported that the Transparency and Feedback Team Manager (who will be responsible for such a programme going forward) has some high level work on her agenda but this is not formally documented. It was also reported that the plan is to form the targeted work programme upon receipt of the ICO audit report.

Recommendation: Implement a records management programme of work and ensure that records management actions/ improvements and lessons learned are identified and implemented as necessary. This programme should be overseen by the CIGG.

Management response: Accepted

CYC will develop a records management forward work programme.

The IMB is to be responsible for records management monitoring and compliance as stated in the Terms of Reference

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a15. CYC's corporate Records Management Policy covers both manual and electronic records, sets out the records management principles, statement of policy, roles and responsibilities and the records management programme. However, it does not expressly state how policy compliance will be monitored.

Recommendation: Ensure that the Records Management Policy outlines methods for monitoring policy compliance and that this is communicated to staff.

Management response: Accepted

CYC will include monitoring compliance and guidance in the review of the current Records Management Policy. The launch of the revised policy will include a communications plan for raising awareness as well as guidance, training package(s). When completed, this will be published on the intranet and internet.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31 March 2016

a16. It was reported that CYC wants to review the policy in order to make it more user friendly by communicating the key information to all staff in an easily digestible format. Revision of the policy is to be led by the Transparency and Feedback Team Manager.

a17. The Records Management Policy was first approved by the CIGG in February 2013 and was due for review in February of this year. However, this review has not yet taken place. It was reported that this was because the CIGG has instead prioritised the council's FOI compliance rates and attainment of HSCIC IG toolkit assessment.

Recommendation: Ensure that the Records Management Policy is reviewed in line with time periods for review set out in the policy.

Management response: Accepted

CYC is currently underway with a review of the Records Management Policy (including a communications plan) and will put in place a monitoring process to ensure future reviews are undertaken within the set time periods.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a18. An extensive set of records management guidance was also provided for review. This is staff guidance that was produced by the previous Records Manager. However, most documents were marked as drafts and there was no evidence that this guidance had been widely communicated to staff across the Council.

Recommendation: Review the draft records management guidance alongside the Records Management Policy to ensure that it is complete, consistent and up-to-date. Ensure that communication of records management

guidance is included within a Communications Plan for the Records Management Policy.

Management response: Accepted

CYC is currently reviewing the guidance, training package(s) etc for records management alongside the review of the policy. Following the approval of the reviewed policy, CYC will undertake the actions from the communications plan including providing guidance, training package(s) and publication on the intranet.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st May 2016

a19. The Records Management Policy is available to staff on the intranet. However, CYC does not have a record of policy acceptance for the current Records Management Policy. It was reported that policies are usually communicated to staff via an all staff email and are then often discussed at directorate team meetings, but this is not recorded.

a20. It was widely reported that iComply, a policy management software product, is now in place and working effectively throughout the Council. It is anticipated that iComply will be used to communicate the revised version of the Records Management Policy.

a21. Job descriptions exist for those with key records management responsibilities. Namely, staff within the Facilities Management Scanning and Mail Unit and the role of the IG Manager which has now been taken on by the Transparency & Feedback Team Manager.

a22. It was confirmed that CYC's standard employment contract terms refer to council policies and procedures and therefore requirements, standards, instructions, guidance etc. set out in policies i.e. Code of Conduct, Electronic

Communications Policy, IT Security and Acceptable Use Policy etc. are all implied terms and conditions of CYC's employment contracts. Therefore, all staff legally agree to abide by CYC's information governance policies on appointment.

a23. Staff at CYC do not currently receive records management training within a formal training programme.

Recommendation: Ensure that records management is incorporated within a formal training programme that comprises mandatory induction and periodic refresher training for all staff with access to personal data.

Management response: Accepted

CYC will ensure that records management is included in its training/learning/development mandatory framework including induction, targeted dedicated sessions aligned to local records management responsibilities, and refresher.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 April 2016

a24. Records management training material was developed in late 2012 and early 2013 by CYC's previous Records Manager. However, there is no record of staff receiving this training and receipt of such training was not reported during interviews.

a25. CYC introduced its latest mandatory IG induction training in September 2014 and was last delivered in June 2015. Staff are required to complete this training within three months of starting at CYC. This course covers general 'dos and 'don'ts', some of which touch on records management i.e. 'do practice a clear desk policy', 'do dispose of sensitive personal data securely' and 'don't email documents to your private address'. However, these are

headline points and not detailed enough to satisfy records management training requirements.

a26. Staff within social care services reported receipt of professional training which covered management of records and confidentiality of records in particular. There were also reports of discussions and reminders of data protection and confidentiality of records, during supervision and in team meetings. This supports the corporate view that 'pockets of training' are taking place but this is not formally recognised at records management training.

a27. It was reported that CYC is currently undertaking the development of a managed programme for records management with its Workforce Development Unit which will include records management learning needs, timely provision of training as well as reporting and monitoring.

a28. There is no current Training Needs Analysis (TNA) that has identified basic or additional records management training needs for individuals or staff groups.

Recommendation: Ensure that records management training needs are assessed and addressed for key roles and staff groups.

Management response: Accepted
CYC will link this with the identification of local records management responsibilities, inclusion in the mandatory framework and into the PDR process where appropriate. Progress of TNA as well as meeting the needs identified through the TNA, will be monitored via the IMB.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st May 2016

a29. It was reported that objectives and learning needs identified in Personal Development Reviews (PDRs) now feed

into the Council wide learning system, iTrent. Therefore, PDR information will be used to contribute to future TNAs. It was also reported that records management or IG more generally, has rarely featured in PDR learning objectives.

a30. CYC's Data Protection Policy, provides that Directors are responsible for providing a service privacy statement for each of their services. However, the policy does not appear to have been updated since 2008.

Recommendation: Review the Data Protection Policy to ensure that it is up to date and reflects best practice.

Management response: Accepted
CYC is currently underway with a review of the Data Protection Policy (including a communications plan, guidance, training packages) which is now taking account of the comments and recommendations in this ICO audit.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

a31. Various privacy notices are available on CYC's website and links to some of these were provided for the purposes of the audit. There is a main council privacy notice, and service specific privacy notices were reviewed for schools services and some youth services. However, when searching the website without reference to links provided, some of the privacy notices reviewed were not easy to locate from the homepage.

Recommendation: Ensure all privacy notices are readily available and easily accessible from the council's homepage.

Management response: Accepted
At the launch of the new CYC website, we updated the Privacy Notice accessible via the main/home page. Further work will be undertaken following the collation of all existing

privacy notices, information sharing agreements etc as part of the new “information asset register monitoring and compliance” across the council, to identify how best to ensure all are easily accessible/searchable/linked where relevant from the main web page.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 April 2016

a32. Privacy notices did not appear to be available for all services although the council’s Data Protection Policy requires that such notices exist i.e. privacy notices were not located on CYC’s website for adult social care services.

Recommendation: Ensure that privacy notices are made available for all services to inform individuals about the use of their personal data.

Management response: Accepted

As part of the new “information asset register monitoring and compliance” across the council, we will be able to identify where privacy notices are not held and therefore put in place a work plan to complete these.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 April 2016

a33. It is not clear if there is a policy requirement to regularly review privacy notices.

Recommendation: Ensure that there is a policy requirement to regularly review the accuracy and content of privacy notices.

Management response: Accepted

CYC will include the requirement for regular review of the accuracy and content of privacy notices in the review of the Data Protection policy and develop guidance, training package(s) for staff responsible for privacy notices.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 April 2016

a34. Examples of an initial assessment for a funding application, an application form for financial assistance, and a telephone data collection form used by the personal budget support team were provided for review. All examples provided contained fair processing information.

a35. Staff within social care teams reported that fair processing information was initially provided by the Customer Contact Team which is the first point of contact for a service user. Consent to share service users’ personal data with relevant parties, is also requested at this stage and interviewees demonstrated completed consent forms on the relevant social care systems (the adult and children’s social care systems).

a36. The adult social care system (‘Frameworki’) had a warning screen where refused consent could be recorded. This was demonstrated onsite. It is good practice to flag refused consent. However, the children’s social care system did not have a similar facility and refused consent was recorded by way of case note.

a37. Interviewees also explained the process for adult social care service users who were deemed to lack capacity to understand fair processing information and consent to any sharing of their personal data. Checks are made with family members or other appropriate person(s) to establish if they have a power of attorney or deputyship. Staff demonstrated evidence of requesting and receiving copies of court documents and contact with the Court of Protection where official documentation could not be provided.

a38. CYC has a corporate Information Asset Register (IAR) in place that shows what information is held, in what

format and what value (recorded as high, medium or low risk) the information has. Additionally, the IAR records: who owns the information identified; whether the information is shared with another service/ organisation and if an Information Sharing Agreement is in place; and who has access to the information.

a39. However, it was reported that the IAR has not been reviewed for approximately 12 months and is therefore likely to contain out-of-date information, particularly where staff have left or moved roles and systems have changed. It was also reported that the required update for the IAR was discussed at the last CIGG meeting but there are no meeting minutes detailing this.

Recommendation: Review the IAR quarterly to ensure that it remains up-to-date and fit for purpose. Ensure that the IAR references relevant risks to the information assets.

Management response: Accepted

CYC is currently underway with updating the IAR which includes how it will be monitored and used to identify areas such as PIAs, PIA risks etc where relevant. The IMB will monitor compliance.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31 March 2016

a40. Quarterly information security checks are carried out at the council's two main offices (West Offices and Hazel Court), by its internal audit function (Veritau). Formal internal audit reports are produced and presented to the CIGG. A number of these reports were provided for review.

a41. The reports provided highlighted findings such as non-compliance with CYC's Clear Desk Policy; findings of several lockable cupboards and draws left unlocked containing personal data with varying levels of sensitivity; and unsecure storage of keys for storage units. However,

the reports provided showed that notable improvements were being made across the Council as reports issued in 2014 offered moderate assurance and reports issued in 2015 offered reasonable assurance.

a42. CYC also has its own archiving service, Yorkcraft. Yorkcraft is a supported business for people with disabilities. It is a council service and is therefore staffed with council employees. It was reported that arrangements at Yorkcraft had not yet featured in the Council's internal audit plan to date. Therefore, CYC does not currently have any formal assurance of how secure storage areas are at Yorkcraft.

Recommendation: Include storage arrangements at Yorkcraft within the internal audit plan of security checks.

Management response: Accepted

CYC will include Yorkcraft in the internal audit plan of security checks. Meeting arranged with internal auditors mid-November for this.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31 December 2015

a43. It was widely reported that the records held in adult and children's social care are now held electronically on their respective records management systems. CYC undertook a large project to reduce the number of physical records held when it moved its head office two and a half years ago, as the new premises has substantially less storage space for physical records.

a44. A demonstration was provided of the children's system ('Raise') to show where the locations of paper files relating to live service users are recorded. The system has a dedicated section to record this information so that staff can easily ascertain where a related paper file is, when it was put in this location and by whom.

a45. Children's and adult social care archived physical records are stored offsite at Yorkcraft. It was reported that details of archived files are recorded within services and that both adult and children's services maintain a spreadsheet of archived physical files. However, it was also reported that there are no files in archive that have not already been scanned onto the adult social care records management system ('Framework'). Due to this, there appears to be a duplication of adult social care data held by the service. This may increase the risk of the Council breaching Principle 4 or 5 of the DPA.

Recommendation: Review the requirement for the retention of both scanned and manual client records by adult social care.

Management response: Accepted

CYC will review retention requirements for both scanned and manual adult social care records. The Transparency and Feedback Team Manager and the IMB where appropriate, will advise and support the service area. The Transparency and Feedback Team manager is attending the case management system project board to incorporate the scanned and manual records retention requirements into the project.

Owner: Director of Adult Social Care

Date for implementation: 31st March 2016

a46. During the tour of Yorkcraft, boxes labelled 'mystery social services' were observed in the main archive. Yorkcraft staff did not know exactly which team these boxes belonged to but were aware which directorate they belonged to. In the absence of a named owner of these records, Yorkcraft does not know exactly who is responsible for them. In addition to this, there were also separate filing cabinets within Yorkcraft, containing adult social care records. It was reported that these filing cabinets were removed from CYC's previous offices and sent to Yorkcraft during the move.

Therefore, relevant teams within CYC may not know the whereabouts of these records. In addition, these records were not stored in barcoded storage boxes in the way that all other records were and were therefore not part of Yorkcraft's current logging and tracking system. This means that Yorkcraft is not managing the storage of these records in line with its documented archive procedure.

Recommendation:

- a) Assign owners to the boxes of 'mystery social care' records stored at Yorkcraft.
- b) Ensure that the adult social care records stored within the separate filing cabinets at Yorkcraft are logged and tracked in line with Yorkcraft's Archive Procedure.

Management response: Accepted

CYC will identify and/or assign owners within the service area.

The Transparency and Feedback Team Manager and Yorkcraft will work with the service area to ensure that arrangements are put in place for logging and tracking of the information held in the storage cabinets.

Owner: Director of Adult Social Care

Date for implementation: 31st May 2016

a47. Services requiring offsite storage of records at Yorkcraft, must first request the appropriate boxes and labels from Yorkcraft. This is done by completing a request form (copy provided for review) available on the staff intranet and emailing it to the Yorkcraft Archives Mailbox. The service must provide the department name, a contact for delivery and the delivery address. This allows Yorkcraft to produce the box labels and ensures that have a record of who the boxes have gone out to. Also, because tailored labels are produced for the boxes, they cannot be used by any other service. It was reported that Yorkcraft does chase services up if they do not return requested boxes. The full history, from box creation to record storage and eventual

destruction is recorded on Yorkcraft's database and services must sign an acknowledgement to confirm that they received the requested boxes.

a48. There is a further request form to complete to request that Yorkcraft collect boxes of archived records from the service. When a box arrives at Yorkcraft for storage, the label barcode is scanned and the location of storage is recorded on Yorkcraft's database.

a49. Equally, if a service requires a box of records from Yorkcraft, a request for retrieval of documents must be completed. Again, the transfer is recorded on Yorkcraft's database and the service must sign an acknowledgement to confirm receipt. Yorkcraft also retains a copy of all email requests for its own audit trail.

a50. Yorkcraft does not monitor the location of records once they have been retrieved from storage. Responsibility for the whereabouts of retrieved records lies with the service. However, services reported that monitoring of records retrieved from storage was not actively taking place. Services record requests of archived records from storage on their case management system, but nobody checks whether records have been returned to storage.

Recommendation: Introduce a tracing system to ensure that services actively manage the whereabouts of records retrieved from storage.

Management response: Accepted
CYC will complete the development and introduce a tracing system for records retrieved from storage.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a51. CYC's legal services also hold all of their current records on their case management system ('Norwel'). Legal services also have a physical archive at the Guildhall, an old council building. Records held there include social services correspondence files from 1996 – 2012 and some court bundles. Although, it was reported that a project is underway with the Facilities Management Scanning and Mail Unit, to scan the bundles on to Norwel. All social services new cases (since 2012), only have electronic correspondence files and electronic court bundles. Other legal services files are also kept at the Guildhall and it was reported that they will eventually be scanned onto Norwel.

a52. It was reported that if a record is retrieved from the Guildhall, there is no logging system there. Instead, the retrieval is recorded on Norwel as soon as the record is brought back into the office. Legal services records retrieved from archive are not actively monitored to ensure that they are returned to storage in a timely manner. Although, it was reported that records are returned to the Guildhall when the work is finished, and the return date is recorded on Norwel.

a53. It was reported that CYC has two data centres. The main data centre is within West Offices and a smaller data centre at Hazel Court, which is just less than two miles away from West Offices. The data centre at Hazel Court mirrors data held at West Offices for back-up.

a54. It was reported that testing of the back-up system is done at server level. Periodic testing was reported to have taken place along with controlled testing prior to any new projects that could affect data held going live, to check that systems can be recovered.

a55. A number of Business Continuity Plans and Business Impact Assessments were provided for services across the council. These documents identify risks to critical software, systems and applications, along with documentation and

vital records. However, most were either draft versions or over a year past their review date.

Recommendation: Ensure that all Business Continuity Plans are finalised and reviewed and tested in line with the review dates specified on the plans/ assessments.

Management response: Accepted

CYC will ensure all BCPs are finalised and reviewed in line with the dates they specify.

Owner: Steve Waddington, Assistant Director Housing and Public Protection

Date for implementation: 30 June 2016

a56. CYC has an Information Systems Security & Acceptable Use Policy which addresses storage, handling and transmission of records. This policy sets out responsibilities of employees, managers and chairs of relevant committees. ICT staff reported that staff awareness of this policy was last raised in January 2015 using iComply.

a57. It was also confirmed that the policy is based on the information provided by the Cabinet Office for PSN accreditation and ISO27001. However, it has not been officially benchmarked against ISO27001.

a58. There is also an Electronic Communications Policy in place. This communicates staff responsibility for the security of data held by CYC and forms part of CYC's corporate induction. The induction checklist must be signed off by a new starter's line manager to confirm that they have read this policy.

a59. At the end of a working day live physical records held in the office are stored in lockable team cabinets or personal lockers viewed onsite. There did not appear to be any consistency across services as to whether live physical records were stored in team cabinets or personal lockers.

Staff reported that they keep keys to personal lockers in their possession and take them home at the end of a working day. This raises the risk of live records being difficult to track or access, if other team members are unaware that their colleagues have stored live records in their personal lockers.

Recommendation: Ensure that a consistent approach is taken across all services for the storage of physical files in the office.

Management response: Accepted

CYC has 2 main sites at West Offices and Hazel Court, as well as other facilities/locations across the city. CYC will respond to this recommendation at the 2 main sites by putting in place a consistent approach to storage of physical files. CYC will then roll this out across the other facilities/locations and monitor compliance with this through the information security sweeps conducted by internal auditors.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a60. The arrangements for secure storage of team cabinet keys appeared to differ between services, with some services storing keys to locked cabinets in other unlocked cabinets and other services returning keys to be stored in a key safe in the Security Team's office.

Recommendation: Ensure that all services, and teams within them, have a procedure for the secure central storage of cabinet keys.

Management response: Accepted

CYC is underway with investigating the options and impacts for the development of a process for secure central storage of cabinet keys. This will include a roll out/ implementation

plan, communications plan and compliance/ monitoring plan.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st May 2016

a61. Fee earning staff within legal services have team storage cabinets to store physical records at the end of a working day [redacted]

a62. Yorkcraft [redacted]

a63. Visitors to Yorkcraft must sign the visitors' book and if they wish to view records onsite, they must be listed as an authorised person prior to arriving. CYC ID cards are checked on arrival. Approved persons are determined by Heads of Service and Yorkcraft issues their approved persons list to Heads of Service monthly to ensure that they remain correct. Approved persons viewing records onsite are taken to a separate room for this purpose and the relevant records are retrieved for them by Yorkcraft staff. Approved persons are not allowed into the archive to retrieve records.

a64. [redacted]

[redacted] An authorised Business Support Officer from children's services was present at Yorkcraft during the tour

to demonstrate this. [redacted]

a65. The Facilities Management Scanning and Mail Unit prepares original copies of scanned documents for storage after they have been scanned into the EDRMS ('Documentum'). Original copies are stored in cardboard boxes by this unit for up to two weeks before they are collected [redacted]

Recommendation: Ensure that appropriate restrictions are in place to prevent [redacted]

Management response: Accepted
CYC is currently investigating options to ensure that appropriate restrictions are in place to meet this recommendation.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a66. In legal services, the Practice Manager manages access controls for Norwel. It was reported that different teams within the service cannot view each other's cases on Norwel. The Practice Manager sets access permissions for new starters and also removes these as required.

a67. CYC's ICT service reported that it was responsible for administering access to a number of council systems including the adult social care system and the housing and benefits system. However, ICT does not administer access

controls for the children's social care system – Raise. This is strictly controlled by Raise Support and only given when requested by a Service Manager. Access to the new Mosaic system will be administered by ICT going forward.

a68. There is a new user request form available via the ICT self-service portal. Guidance on the intranet directs line managers to complete a new user request for their new starters, to allow them to gain a log-in and access to central ICT facilities. It was reported that upon receipt of a request, a member of ICT contacts the relevant line manager to determine the level of access needed for service specific systems and the team that the user should be associated with.

a69. If staff move teams or services within the council, the receiving line manager completes a transfer user form. The internal transfers induction checklist provided for review, instructs the line manager to contact ICT and arrange access to team folders. It was reported that home drives are mapped to areas so a mover's access would be really affected if their access permissions were not changed. ICT reported good compliance with this process.

a70. The managers' checklist in the exit procedure provided for review requires a delete user account request to be made via the ICT self-service portal. It was reported that ICT receives a list of leavers from HR each month and runs a script through the active directory to ensure that leavers' access permissions have been removed. This process acts as a backstop in the event that a line manager does not complete a delete user account request.

a71. ICT has an escalation process for the immediate removal of access permissions if required and this is usually led by the Head of ICT. Immediate removal of access permissions is required by the Electronic Communications

Policy in the event that employment is terminated as a result of disciplinary action.

a72. The systems administrator for Raise grants and revokes user access. Requests to set up a new user come via ICT as they receive the new user request forms from line managers. The process is similar for movers and leavers. However, there is a support mailbox for the Raise support team and therefore user access requests can be made directly to the team rather than via the ICT self-service portal.

a73. It was reported that staff are required to complete systems training prior to obtaining access permissions. Staff reported that there was a dedicated trainer for Frameworki who delivers several training modules and access links to completion of these modules. Therefore, full access is not granted until all modules have been completed. Staff using Raise reported that system training has been delivered by admin staff within the service or by buddying up with experienced colleagues. There did not appear to be a formal approach to system training in children's services.

a74. However, it was reported that a new children's social care system is being implemented ('Carelogic' provided by Mosaic) and systems training has already been sourced. The training will be provided by MeLearning, a company that provides ELearning courses to teach users how to use the new Carelogic system.

a75. It was reported that legal services has a record of access permissions granted to Norwel but it is not routinely reviewed to ensure that privileges granted continue to be based on business need and have been correctly authorised. Access permissions are granted only by the Practice Manager, and this is done when a person starts working in legal team and then again on the rare occasions when staff

move within the team for example trainee solicitors rotating through work areas, or staff secondments to other teams.

Recommendation: Introduce periodic reviews of access permissions granted in Norwel.

Management response: Accepted

CYC is underway with investigating the tasks required and the impacts of introducing periodic access permission reviews in Norwel.

Owner: Practice Manager

Date for implementation: 31st March 2016

a76. ICT staff reported that there is a schedule of systems access reviews which take place bi-annually or annually. The review process reported is that a list of all system users is sent to the relevant manager and system owner and they must confirm that the access permissions listed are correct. It was reported that this process occasionally highlights a leaver, or a user with a slightly different role to the role that their access permissions are aligned to, but instances of inappropriate access permissions are not usually found.

a77. It was reported that inactivity reports are ran periodically to monitor access permissions for Raise, and business support complete audit checks of teams and manage phone lists as a lot of staff work away from the office.

a78. There is no routine auditing of access to records but it was reported that Frameworki, Raise and the housing and benefits system were all capable of producing audit logs of user activity to support monitoring, incident response and investigation. Therefore, audit of this nature is exception-based.

a79. Social workers take physical copies of assessments offsite, usually for home visits. It was reported that social workers are made aware of security risks and told how records should be managed when taken offsite. However, communication of expectations varied with some staff believing these messages to have been communicated within their professional training and others reporting that occasional reminders are sent round from Veritau. Staff were generally unclear as to whether there was any documented guidance on the matter.

Recommendation: Clear and consistent guidance on taking records containing personal data offsite, should be produced and made available to staff.

Management response: Accepted

CYC will include this in the current review of the DP policy and guidance and training package(s).

Owner: Director of Adults Social Care and Director of Children's Services

Date for implementation: 29 February 2016

a80. Staff are not provided with means of secure storage to transport records offsite i.e. a lockable briefcase, trolley bag etc. However, it was reported that adult social care is looking at introducing tablets so that staff do not have to take physical records offsite.

Recommendation: Staff should be provided with or advised on appropriate methods and/or media for transporting client records offsite.

Management response: Accepted

CYC will include this in the current review of the DP policy and guidance and training package(s).

Owner: Director of Adults Social Care and Director of Children's Services

Date for implementation: 29 February 2016

a81. Staff consistently report two methods for sending electronic copies of personal data securely. These were: using their GCSx account for which they had to complete mandatory ELearning training; or by secure email if the recipient is not part of the GCSx. CYC uses MacAfee IronMail and [REDACTED]

[REDACTED] This means that the information does not leave CYC's network.

a82. Some staff also reported on the implementation of a secure document exchange system ('Doqex') which was being trialled in certain services at the time of the audit.

a83. We were advised that CYC use a protective marking scheme for personal data. This outlines what security measures should be taken when sending different classifications of personal data. We were provided with a screenshot of the staff intranet page referring to data security. The page includes a link to guidance on security classification. The link states "Read all Ten Golden Rules - the Do's and Don'ts". It is not clear if this corresponds to the "Simple security classification document" we were provided outlining the above.

Recommendation: Ensure guidance on the protective marking scheme within the staff intranet is up-to-date. Any updated scheme arrangements should be communicated to staff.

Management response: Accepted

CYC will undertake a review of the current guidance and update this where required. This will include a review of the layout and look and feel of the information on the intranet. All changes will be communicated to staff.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a84. Procedures for sending personal data by post appeared to vary across services with some services marking this post as 'private and confidential' and informing recipients that post had been sent and others only sending letters to say that personal data such as an assessment is complete and requests that the recipient contacts CYC if they wish to receive a copy. Addresses on post did not appear to be double-checked despite often being hand written.

Recommendation: Appropriate and consistent security measures should be in place when sending personal data (especially sensitive personal data) by post. Considerations should be given as to whether personal data can be minimised or sent by other means; and addresses should be checked.

Management response: Accepted

CYC will include this in the current review of the DP policy and guidance and training package(s).

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a85. Incoming and outgoing post is managed by the Facilities Management Scanning and Mail Unit. There are pigeon holes for incoming and outgoing post viewed onsite, in central hubs on each floor. The pigeon holes are not secure and accessible by any staff with access to that floor. Each floor is open plan with several departments across different services located on it. It was reported that the Scanning and Mail Unit is hoping to move to digital mail to speed up delivery and address such security risks for incoming post.

Recommendation: Consider an appropriate method to reduce the risk of unauthorised access to incoming and outgoing post.

Management response: Accepted

CYC will consider options to provide appropriate methods (both in the short and long term) to reduce the risk of unauthorised access to incoming and outgoing post.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a86. The last post collection is at 2pm each day, and there are no formal procedures in place for storage of outgoing post after this time. It was reported that outgoing post could be left unsecured in the outgoing post pigeon holes until the following day.

Recommendation: Introduce procedures to ensure that outgoing post is stored securely after the last collection each day.

Management response: Accepted

CYC will investigate options to provide appropriate procedures for ensuring outgoing post is stored securely

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a87. There is a formal process to report all personal data related incidents. CYC has a security incident report form available on the intranet which must be completed and sent to Veritau. Staff consistently reported that they would report any data breaches to their line manager who would then escalate the report.

a88. CYC has a Security Incident Log in place which was provided for review and showed incidents logged for 2014/15 and 2015/16.

a89. CYC's Records Management Policy requires all employees to ensure that records are disposed of in line with an agreed retention schedule. Guidance has also been produced to explain what a retention schedule is, and why it is needed. However, the majority of staff interviewed were unsure if retention schedules existed. Retention schedules were not provided for review.

Recommendation: CYC should have up-to-date retention schedules in place which are based on business needs and have reference to statutory requirements and other relevant principles. Retention schedules should provide sufficient information for all records to be identified and disposal decisions put into effect. There should also be a link between the assets in the IAR and their associated retention schedules.

Management response: Accepted

CYC is currently underway with a review of the Records Management Policy as well as updating the IAR which will include identifying retention schedule(s) that need updating. This identification will then inform a work plan to ensure they are based on business needs and reference statutory requirements and provide information on identification and disposal.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th June 2016

a90. A retention schedule monitoring spreadsheet was provided for review. This logged service codes, whether a retention schedule exists, any email follow ups, and retention schedule status. However, no monitoring appears to have taken place since 2013.

Recommendation: Retention schedules should be regularly reviewed to ensure that they meet business needs and statutory requirements.

Management response: Accepted
CYC has updated the terms of reference for the IMB (replacing CIGG) and it includes records management monitoring and compliance. Alongside this, CYC is underway with updating the IAR and identifying a work plan for updating retentions schedules, all of which will support the regular review of retention schedules to ensure they meet business needs and statutory requirements.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th June 2016

a91. CYC’s Records Management Policy provides that Directorate/ Service Management Team responsibilities include ensuring that records have an identified owner charged with their proper maintenance which includes setting appropriate retention periods. However, the majority of staff interviewed did not know who was responsible for monitoring retention periods with many reporting that they did not think retention periods were being properly monitored in their service.

Recommendation: Assign responsibility to appropriate individuals/asset owners to ensure retention periods are adhered to.

Management response: Accepted
CYC has updated the terms of reference for the IMB (replacing CIGG) and it includes records management monitoring and compliance. Alongside this, CYC is underway with updating the IAR and identifying a work plan for updating retentions schedules, all of which will support

the assigning of responsibility for adherence to retention schedules.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th June 2016

a92. Yorkcraft’s archive procedure provides that it will contact services in advance of the destruction date marked on each archive box, to seek authorisation for destruction. It was consistently reported by staff that this was the usual process for destruction of archived physical records.

a93. Yorkcraft has a contract [redacted]
[redacted]
[redacted]
[redacted]

a94. ICT reported that CYC has a contract [redacted] accredited to ISO9001 and ISO14001. [redacted] granted approval as an Authorised Treatment Facility (AATF) [redacted]
[redacted]
[redacted]
[redacted]
[redacted]
[redacted]

a95. There are locked confidential waste bins on each floor of West Offices. These were observed onsite and staff reported using the bins to dispose of confidential waste. Biodegradable bags with secure ties are provided for Hazel Court, as this office does not yet have lockable bins.

a96. The confidential waste bins are managed by Yorkcraft, [redacted]

record of who had read the Records Management Policy and the policy did not detail how policy compliance is monitored.

Recommendation: Identify records management performance measures that reflect organisational needs and risks identified in the corporate risk management framework.

Management response: Accepted

CYC has updated the terms of reference for the IMB (replacing CIGG) and it includes records management monitoring and compliance. Work will now be done to determine what the key performance indicators are to reflect our needs and risks. These will be aligned to the risks identified for the corporate risk management framework.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a105. Yorkcraft's SLA does set timescales for delivery of its services and provides that reporting details will be produced. However, reporting details are not being produced.

Recommendation: Ensure that reporting details are being produced as required in the Yorkcraft SLA.

Management response: Accepted

CYC will review the Yorkcraft SLA and ensure reports are produced.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

a106. It was reported that there have not been any recent records management audits. One audit report from 2014 was provided covering document management. This was

conducted because the Council had recently undertaken a major project to reduce the amount of business storage and documentation held within departments. It aimed to provide assurance to management that the controls put in place to manage key risks relating to the arrangements for the scanning and storage of documents at West offices and Hazel Court are effective. However, records management does not appear to routinely feature as part of the annual internal audit plan.

Recommendation: There should be periodic internal audits of the security and use of records, and formal reports issued to senior management.

Management response: Accepted

CYC will include this in the internal audit plan. Meeting arranged with internal auditors mid-November for this.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31 December 2015

a107. CYC provided the newest version of its Risk Management Policy and Strategy for review. It explains how risk is assessed, recorded and managed and sets out the risk reporting structure. The accompanying risk guide recognises information as a potential area of risk and data quality as a risk category. It was reported that the new policy was agreed at the Audit & Governance Committee on 29th July 2015. At the time of the audit, the new policy was due to go live within a couple of weeks.

a108. There is also an Information Security Incident Procedure in place although it is past its review date of May 2014. CYC's information security incident procedure is currently managed by Veritau. However, the Transparency and Feedback Team Manager is overseeing the process with Veritau as part of the staggered approach to transfer this to the council team.

Recommendation: Review the Information Security Incident Procedure and ensure that it is fit for purpose and in line with best practice.

Management response: Accepted

CYC have provided breach management training for 2 key staff and they are now underway with a review of the breach management process, procedures and training materials. This will take account of ICO codes of practices, exemplar organisations processes, etc and will also identify links to the Caldicott Guardian issues reporting process. The review will also include the development and delivery plan for training, guidance/toolkits, and key performance indicators and how to ensure lessons are learned from breach management reporting. Monitoring has been included in the new terms of reference for the IMB.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

a109. CYC has identified its key corporate risks and information risk features within its governance risk. This risk is owned by the SIRO and mitigating controls have been identified.

a110. There is also a dedicated Information Governance Risk Register in place which was originally produced by Veritau but responsibility is being transferred to the Transparency and Feedback Team Manager. It is notable that 'recognition of and responding to requests for information' is highlighted as a risk but rated 'very low'. This is surprising considering CYC's subject access request compliance rates.

Recommendation: Review the IG Risk Register in line with the new Risk Management Policy and Strategy to ensure that risk ratings are correct.

Management response: Accepted

CYC will start the review of the IG risk register in mid-November to ensure it is in line with the new Risk Management Policy and Strategy.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st December 2015

a111. Departmental risk registers are also in place. The adult social care risk register does not identify information management as a risk and the security incident log does not highlight a large number of security incidents for this service. The Children's Social Care register includes 'breach of data protection leading to a fine or investigation' as a risk. The risk has a risk owner and mitigating controls are identified.

a112. It was reported that some IAOs (Information Asset Owners) may not realise that they have this responsibility as the roles have not been widely communicated across the Council and there has not been any specific training on the IAO role. Instead, nominated owners may assume that they have such responsibilities because they are a head of service, for example.

Recommendation:

- a) Assigned responsibility for IAO roles across CYC should be clearly communicated.
- b) IAOs should receive appropriate training to fulfil their roles.

Management response: Accepted

CYC is underway with reviewing the IAR and this will include identifying assigned IAOs and IAAs. This will then enable us to develop and deliver awareness, guidance and dedicated training for the IAOs and IAAs and a communications plan.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: (a) 31st March 2016 (b) 30 June 2016

a113. It was reported that CYC is also looking to nominate Information Asset Administrators (IAAs) to support IAOs. A draft template for the revised IAR was provided which showed a column to identify IAAs.

Recommendation: IAAs should be identified and nominated, as planned to support the IAO function, and should receive training as appropriate.

Management response: Accepted

CYC is underway with reviewing the IAR and this will include identifying assigned IAOs and IAAs. This will then enable us to develop and deliver awareness, guidance and dedicated training for the IAOs and IAAs and a communications plan.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 June 2016

a114. Example data protection clauses for a Data Processor Contract were provided for review. The example clauses require providers to comply with Principle 7 of the DPA and provide CYC with the right to request a written description of the technical and organisational methods employed by the Provider and/or relevant Sub-Contractors at reasonable intervals. The example clauses do not however, provide CYC with a right of physical audit.

Recommendation: CYC should ensure that its Data Processor Contracts provide it with a right to physically audit its data processors' premises.

Management response: Partially Accepted

CYC will write a clause to be included in new tender documents to provide us with this right and for existing contracts. We will include this at the point of renewal.

Owner: Andy Docherty, Assistant Director

Date for implementation: 29th February 2016

7.2 Scope b: Subject Access Requests – There are appropriate procedures in operation for recognising and responding to individual's requests for access to their personal data.

Risk: Without appropriate procedures, there is a risk that personal data is not processed in accordance with the rights of the individual and in breach of the sixth principle of the DPA. This may result in damage and/ or distress for the individual, and reputational damage for the organisation as a consequence of this and any regulatory action.

b1. CYC is implementing a new council wide SAR process. This process is being led by the Transparency and Feedback Team Manager, and falls within the IG Action Plan 2015. Many SAR functions administered by Veritau are in the process of being handed over to the council team. The full set of functions are intended to be passed to the council team by the end of this calendar year. The new SAR process is still being developed. Further changes will be made to the process as the council team both develops and expands its role.

Recommendation: Finalise and implement the new SAR process.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc and will use this ICO report recommendations to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b2. The Access to Records Policy and SAR checklist are in draft form. There is currently interim guidance for children's services and adult social care ('Interim Practice Guidance to Social Workers: Subject Access Requests'). We were also provided with the 'Business Support SAR Process for Children's Services' and a 'Business Support SAR flowchart'. These procedures will need updating to reflect the new SAR process.

Recommendation: Finalise the draft Access to Records Policy and SAR checklist. Update the 'Interim Practice Guidance to Social Workers: Subject Access Requests', 'Business Support SAR Process Children's Services' and 'Business Support SAR flowchart' to reflect the final SAR process.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc and will use this ICO report recommendations to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b3. CYC's website provides guidance to individuals on making a SAR. This can be located by entering 'request for your personal data' or 'subject access request' in the search bar. This information could be made easier to locate. The information provided is a brief overview of how to make a SAR. A link to a SAR form is provided to assist individuals making a SAR. There is also a link to the 'Confidentiality and Access to Records Leaflet' advising individuals on housing and social care records. CYC is aware the website guidance needs updating to reflect the new SAR process, which should be in place by November.

Recommendation:

- a) Update website guidance to reflect the new SAR process, as planned.
- b) Make the SAR guidance on the website easier to locate.

Management response: Accepted

Following completion of the review of the SAR process and Access to Records policy, and as part of the communications plan being actioned, (a) the website pages will be updated and (b) easier access and search options will be investigated and put in place where possible.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

b4. CYC provided an example of the contract clauses included in data processor contracts. The example contract clauses state that the data processor will notify CYC within 5 business days if it receives a SAR. The data processor is required to comply with a subject access request within the relevant timescales set out in the Data Protection Act and in accordance with the CYC's instructions. However, it is not clear if these clauses are included in all data processing contracts. Moreover, CYC believes it could further integrate data processors into the council wide SAR process. For example, data processors could be required to log receipt of the SAR with the council team.

Recommendation:

- a) CYC should review current data processing contracts to ensure they include the appropriate obligations regarding SARs. This should be included in all future contracts with data processors.
- b) Integrate third party SARs into the new SAR process to ensure adequate oversight.

Management response: Partially accepted

(a) CYC will undertake reviews of current data processing contracts at the time of renewal and (b) include the provision for 3rd party SARs within the review of the SAR process.

Owner: (a) Andy Docherty, Assistant Director

(b) Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: (a) to be determined by renewal timescales (b) 31st March 2016

b5. All SAR requests should be logged with the council team. The council team will check the validity of the SAR, establishing whether CYC is able to satisfactorily identify the requestor as the data subject. The council team previously passed the SAR to the relevant service area and recently this has been direct to the appropriate Head of Service.

b6. Business Support staff in children's services and adult social care have been locating personal data that has been requested since approximately autumn 2014. The unredacted material will then be considered for disclosure by social workers, who will withhold material where appropriate and a response is provided to the requestor.

b7. Advice on redaction and exemptions is currently provided by Veritau where requested, although this function will be passed to the council team by end of this calendar year. The council team intends to validate all requests upon receipt. It was reported that it will then quality check a random sample of responses as part of a compliance monitoring system that it is introducing across information governance.

Recommendation: Implement quality assurance procedures through the council team for all SAR responses as proposed.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc and will include how the CYC team will quality assure/check SAR responses and how this will be reported. The new IMB will be responsible for monitoring and compliance.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

b8. The 'Interim Practice Guidance to Social Workers: Subject Access Requests' was issued a week before our onsite visit. Therefore, staff will not yet be fully aware of the new procedures. This guidance appears to relate to children's services and not adult social care.

Recommendation: Raise awareness of the 'Interim Practice Guidance to Social Workers: Subject Access Requests' amongst all relevant staff/teams.

Management response: Accepted

CYC team will continue to raise awareness and provide guidance to relevant teams and staff.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th November 2015

b9. CYC does not currently have council wide training in place for SARs. Without training some staff may not be able to recognise a SAR. Moreover, social workers in children's and adult social care typically respond to SARs. Whilst the staff interviewed had experience in responding to SARs, they did not appear to have received any specific training for their role. CYC has recognised the need to develop SAR training across the council. The Customer Feedback & Complaints Manager has a data protection qualification and has completed a 'train the trainer' course. This expertise will be used to assist in the development of council wide and role specific SAR training.

Recommendation: As proposed, develop council wide training for staff so staff can recognise a SAR. Conduct training needs analysis of staff involved in the SAR process and provide role specific training where appropriate.

Management response: Accepted

CYC will include this training needs analysis in with that being done for records management, IAOs, IAAs etc. Training packages are being developed which will include induction and refresher awareness, and more role and responsibility specific training packages. Delivery will be using the most appropriate method e.g. Icomply, elearning or classroom.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 April 2016

b10. A brief overview of SARs is available on the staff intranet. This guidance will need updating to reflect the new SAR process.

Recommendation: Update guidance available on staff intranet to reflect new SAR process.

Management response: Accepted

CYC will update intranet guidance when SAR process and Access to Records policy reviews are completed.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 April 2016

b11. We were advised that CYC has made use of ICO posters to raise awareness of SAR requests throughout West Offices.

b12. The council team checks the validity of the requestor's SAR, ascertaining whether the requestor is able to satisfactorily identify themselves as the subject of the data requested. The council team also ensures that there is

enough information to locate the personal data. Services double check the requestor's identity.

b13. When a request is made by a third party on the data subject's behalf, CYC checks its validity. In the case of parent applicants, the Council team checks whether the parent is entitled to the information or whether the child is competent enough to understand their rights to their own information.

b14. Staff interviewed had a good awareness of issues such as consent and capacity. However, the Business Support SAR flowchart and 'Interim Practice Guidance to Social Workers: SARs' states that where a child is under 12 years old the request is required to be made by a parent or person with legal authority to act on their behalf. Whilst it is reasonable to assume most children will not have capacity if under 12 years, there may be exceptions.

Recommendation: Where appropriate, staff should consider whether children have capacity to independently request a SAR.

Management response: Accepted

CYC will include this in SAR process and Access to Records policy guidance, training and published on the intranet. However if advice sought verbally whilst this work is underway, the CYC team will give this.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 April 2016

b15. CYC does not charge a fee to process SAR requests. This gives the public free access to their personal data.

b16. We were advised that the council team send a letter/email to the SAR requestor acknowledging receipt.

This acknowledgment informs the requestor when the response must be provided.

b17. The council team has a system called Respond which logs SARs received by CYC. This system records pertinent information such as date received; date due; reminders sent to services; and date completed.

b18. We were shown a further spreadsheet held by the Business Support staff in children's services which recorded broadly similar information to the council team's Respond, with a greater service level focus. With respect to adult social care, we were advised that they maintain a similar spreadsheet on the adult social care network drive and a notation is made within Frameworki (their case management system) of all actions relating to any SAR request.

b19. The council team does not routinely record information about what personal data has been withheld in response to a SAR on Respond. However, the council team holds some scanned correspondence and recorded interactions between themselves, the services, and the requestor, which sometimes contains such information. The routine recording of this information would facilitate the planned quality checking function of the council team and help the council team process any complaints.

Recommendation: The council team should routinely record what information (if any) is withheld under exemption or relating to third parties and the basis for withholding the personal data.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc and will use this ICO report recommendations to further update where required. This review will include the writing of what will be

required in the training packages, checklists/toolkits, templates and a communications plan.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b20. The 'Interim Practice Guidance to Social Workers: Subject Access Requests' does not state that Social Workers should contact the requestor in the event of delay. However, it may be the case that this is done in practice.

Recommendation: Formalise the requirement for staff to promptly contact the SAR requestor in the event of delay. In such cases, CYC should explain to the requestor the reason for the delay and the expected date for response.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc and will use this ICO report recommendation to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b21. The council team will send a reminder to the service(s) when a SAR is 30 days old. They will send subsequent chasers just before the SAR is due, on the day it is due, and if it is late. The council team has recently started to routinely include the Heads of Service/ Assistant Directors/ Directors in chaser emails for overdue SARs. We were advised that the Head of Service SAR chaser email is not formalised in procedural guidance. The council team is also considering implementing a form that can be sent to the service(s) to establish why the SAR is overdue, get an

update on progress, and know when the SAR is likely to be finished.

Recommendation: Record the formal process for chasing departments for SAR responses and escalating to Heads of Services when overdue. This process should look to identify why the SAR is overdue, current progress, and when it is likely to be finished.

Management response: Accepted

CYC will include this is the SAR process and monitoring reports will go the IMB to monitor compliance.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b22. Staff interviewed did not report any specific problems in locating manual records. However, they did report that the maintenance of the records (e.g. reliable indexes, file contents pages, descriptions of documents) were inconsistent within and across services. This can hinder locating the personal data relevant to a SAR.

Recommendation: Ensure any new manual records are maintained to a good standard. Where practicable, take steps to improve any older files that have been poorly maintained.

Management response: Accepted

CYC will undertake to develop good standards for manual records in line with the work being done in Adults and Children's Social Care case management system improvements and linked to recommendations made for records management in this audit report.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 June 2016

b23. It was also reported that Business Support staff are able to effectively interrogate and retrieve the personal data from Raise and Frameworki. We note that CYC is currently in the process of upgrading these case management systems to the Mosaic system.

b24. Business Support does not keep a record of the searches made to locate personal data. Having a record would assist CYC in reviewing instances where the requestor does not believe they have received all their personal data.

Recommendation: Keep a record of the searches made to locate personal data in response to a SAR.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc. and will use this ICO report recommendations to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b25. We were informed that children's services retain both a redacted and unredacted copy of their SAR responses. Adult social care retains a copy of redacted SAR responses. It is unclear whether adult social care retains an unredacted copy of the response. Retaining these copies will allow CYC to respond to queries from the requestor or the ICO about withheld personal data.

Recommendation: Ensure that adult social care retains an unredacted copy of the SAR response.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc. and will use this ICO report recommendations to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b26. Adult social care retains SAR responses for up to one year. It is not clear if this is a stated retention period, or if it is customary. Children's services will retain the unredacted and redacted documents for the SAR, subject to the normal file retention criteria for the child's case file.

Recommendation: Ensure there are appropriate retention periods for unredacted and redacted SAR responses.

Management response: Accepted

CYC will include this in the Access to Records policy, guidance, training and also publish on the intranet. However if advice sought verbally whilst this work is underway, the CYC team will give this.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b27. Redaction has previously been carried out manually by children's and adult social care. We were informed that these services are in the early stages of rolling out electronic redaction, using Adobe Professional. It was reported that the council team also uses this software.

b28. Previously, redacted adult social care SAR documents were stored at Yorkcraft with no retention dates assigned. It is unclear if any of these SAR documents, which

are now beyond the current 12 month destruction date, are still being held at Yorkcraft.

Recommendation: Ensure Yorkcraft securely destroy SAR responses in line with retention periods.

Management response: Accepted

CYC will include the requirement for a checking process at Yorkcraft for destruction of SAR responses in line with the current checking process they have for destruction of other stored records.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b29. Veritau is currently contracted to provide advice on exemptions and redactions to CYC staff. It was reported that the most common query from staff was about redaction of third party information. This function will be passed to the council team by the end of this calendar year. We were advised that the council team currently provide initial advice to staff about exemptions and redactions when passing the SAR to the service(s), with the advice tailored to the request and service area as appropriate.

b30. There does not appear to be any formal written guidance to help staff exempt and redact information. This would improve staff understanding and reduce the number of straightforward queries regarding exemptions and redactions made to Veritau, and in future the council team.

Recommendation: Support the advice function provided by Veritau, and in future the council team, with written guidance on exemptions and redactions.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy as well as training and guidance

material required which includes exemptions and redacting information. Delivery of awareness and role –specific training will be delivered using a variety of methods such as induction and refresher sessions, Icomply, elearning and classroom based. However if advice sought verbally whilst this work is underway, the CYC team will give this.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th June 2016

b31. The 'Interim Practice Guidance to Social Workers: Subject Access Requests' states that the "allocated Social Worker for the Subject Access Request must review the unredacted personal data and use professional judgement to apply the statutory legislation and guidance relating to what should and should not be disclosed to the Applicant". Whilst the document does refer to ICO guidance, it does not mention contacting either Veritau, or in future, the council team for advice where required.

Recommendation: Amend practice guidance to advise staff to contact either Veritau or the council team for SAR advice when required.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy as well as training and guidance material, which will include contact information for advice and support. However if advice sought verbally whilst this work is underway, the CYC team will give this.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th April 2016

b32. We were advised that social workers will informally check each other's SAR responses and also check with managers. Whilst this is beneficial, having a formal quality

assurance process in place at service level, by the council team as proposed, will promote consistency.

b33. There are no template covering letters for SAR responses. The covering letters reviewed did not include information specified in section s7 (1) (b) of the DPA, which is a description of how their personal data is being used and to whom it may be disclosed, nor the searches undertaken to locate the personal data. Some covering letters clearly explained the reason(s) for redacting information, others did not. We were advised that there may be some standard material used in adult social care for SAR responses, and a number of interviewees believed that developing this material would be beneficial.

Recommendation: Issue guidance and template letters/paragraphs to assist staff in their response to the data subject. This should include a description of how data subjects' personal data is being used and to whom it may be disclosed, an explanation of the searches undertaken to locate their personal data, and where appropriate, an explanation as to why information has been redacted or exempted.

Management response: Accepted

CYC is currently underway with a review of the SAR process, Access to Records policy as well as training and guidance material. This will include a suite of template responses for SARs. However if advice sought verbally whilst this work is underway, the CYC team will give this.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th April 2016

b34. SAR responses are not marked 'data subject copy' before release. Such marking may help identify the source of any further disclosure of the information, should the need arise.

Recommendation: Consider marking SAR responses 'data subject copy' before release.

Management response: Accepted

CYC will include the requirement for a marking process in the review of the SAR process and Access to Records policy as well as include in the review of the data protection policy where relevant.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b35. We also asked whether individuals can view their SAR response onsite if they requested. CYC advised that they can arrange onsite viewing.

b36. There is currently no systematic reporting of SAR performance and complaints to the CIGG and other relevant groups. The Transparency and Feedback Team Manager is aware of this matter and plans to introduce regular reporting to the CIGG, Management Team and Councillor Corporate Management Team. The proposed reports will highlight key themes to help identify systemic issues and any lessons that can be learned from complaints. The Transparency and Feedback Team Manager would also like SAR performance information to be reported through the Strategic Business Intelligence Hub and be added to the CYC dashboard and/ or made available publicly via website or York Open Data Platform. We note the Respond system is currently capable of producing a range of reports on SAR performance.

Recommendation: Introduce regular reporting of SAR performance and complaints to the CIGG or other relevant groups as proposed. Ensure that issues are acted upon accordingly.

Management response: Accepted

CYC has completed the review of the CIGG terms of reference which will now be the Information Management Board (IMB) and includes monitoring and compliance, in its purpose, aim, remit and objectives. The first meeting is planned for mid-November at which the standard agenda items, such as KPI reporting, will be approved.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st December 2015

b37. Between 1st April 2014 and 31st March 2015, CYC recorded receipt of 131 SARs. 67 of these requests were complied with in the statutory timescale, which is compliance rate of 51.1%. This is extremely low. We understand that CYC intend to introduce a target compliance rate of 100%, once responsibility for this function passes fully to the council team.

Recommendation: Introduce and regularly monitor an appropriate target rate for SAR compliance, as planned. See also b36.

Management response: Accepted

The SAR report for 1st April 2015 to 31st August 2015 shows 30 SARs received, 25 responded to in time and 5 out of time, which is a compliance rate of 83.3%. Reporting of KPIs will be through the new IMB and will include SAR compliance. The first meeting is planned for mid-November.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st December 2015

b38. The Transparency and Feedback Team Manager intends to produce management information on SAR performance that will show the performance of specific services, to help identify any specific issues affecting overall compliance.

Recommendation: Produce management information on SAR compliance which can demarcate performance at the service level, as planned.

Management response: Accepted

Reporting of KPIs will be through the new IMB and will include SAR compliance rates both for the whole council and by service. The first meeting is planned for mid-November. Also the review of the SAR process will include points during the 40 day timescale to provide opportunities for early identification of issues.

Owner: Lorraine Lunt Transparency & Feedback Team Manager

Date for implementation: 31st December 2015

b39. It was reported that whilst a large amount of SAR requests go through the council team there may be some SARs that are not being passed to the council team from the services.

Recommendation: Raise awareness amongst staff that the new process requires all SAR requests go to the council team in the first instance.

Management response: Accepted

CYC has conducted an awareness campaign for SARs using a variety of methods e.g. staff email, staff newsletter, display screens in staff hub areas and posters on all staff noticeboards.

The current review of the SAR process and Access to Records policy will include opportunities for further ongoing awareness.

Owner: Lorraine Lunt Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

b40. Complaints regarding the handling of SARs are logged by the council team on the Respond system. They

are then passed to Veritau. The Veritau Information Governance Team will review the complaint and advise CYC accordingly. The complaints handling role of Veritau will be passed to the council team by the end of this calendar year.

7.3 Scope c: Data Sharing – The design and operation of controls to ensure the sharing of personal data complies with the principles of the Data Protection Act 1998 and the good practice recommendations set out in the Information Commissioner’s Data Sharing Code of Practice.

Risk: The failure to design and operate appropriate data sharing controls is likely to contravene the principles of the Data Protection Act 1998, which may result in regulatory action, reputational damage to the organisation and damage or distress for those individuals who are the subject of the data.

c1. CYC recently entered the Multi-Agency Information Sharing Protocol (MAISP). This agreement is currently between North Yorkshire County Council, City of York Council, North Yorkshire Fire and Rescue Service, and North Yorkshire Police (the ‘protocol partners’).

c2. The MAISP is the principal high-level agreement used by CYC, setting out common data sharing rules to be followed by protocol partner agencies. This includes the aims & objectives of MAISP, general principles, information covered by MAISP, organisational & individual responsibilities, restrictions on the use of information shared, obtaining consent, security arrangements, information management, data sharing training, and protocol review arrangements. Going forward, the MAISP will also inform other ISAs used by CYC.

c3. The Draft MAISP Implementation Strategy outlines CYC’s new approach to ISAs. Existing ISAs will remain unchanged until they become ready for review. After review, agreements with all protocol partners must comply with the MAISP. New arrangements with other partner agencies and existing ones at review must be informed by the MAISP.

Recommendation: Finalise and action the MAISP Implementation Strategy, and align existing ISAs to MAISP requirements, as planned.

Management response: Accepted

The MAISP has been published on the CYC intranet and further progress of the final MAISP implementation strategy is underway. The MAISP information sharing template is also published on the intranet and has been used for new arrangements. Using the IAR monitoring process, CYC will be able to identify a schedule for review of ISAs which will include alignment with MAISP for relevant ISAs.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30 June 2016

c4. The MAISP Data Sharing Template provides the structure for an ISA between partner agencies. The template requires a signature from each party. Having reviewed the MAISP, Draft MAISP Implementation Strategy, and MAISP Data Sharing Template, there does not appear to be an explicit written requirement for an ISA to be signed off by a senior member of staff.

Recommendation: Ensure all ISAs are signed off by an appropriately senior member of staff.

Management response: Accepted

CYC has highlighted this at the MAISP group and there has been an agreement to consider making any relevant amendments to the MAISP from the recommendations. CYC is also underway with the review of data protection policy and processes which include the development of a toolkit for completing ISA e.g. request and decision templates, ISA templates, checklists etc and training and guidance will be provided to those with ISA responsibilities.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

c5. The MAISP states that decisions about whether to share information or not and the reasoning behind them should be recorded. If personal data is shared, the partner agency should record exactly what data was shared, with whom and for what purpose. A draft communication for staff about MAISP instructs staff to record data sharing decisions. However, this requirement has not been embedded across CYC. Moreover, the routine recording of data sharing decisions should be recorded in all cases, irrespective of whether they fall under the MAISP.

Recommendation: Embed requirement to record the reason for all data sharing decisions at CYC.

Management response: Accepted

CYC is underway with the review of data protection policy and processes which include the development of a toolkit for completing ISA e.g. request and decision templates, ISA templates, checklists etc. and training and guidance will be provided to those with ISA responsibilities.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st March 2016

c6. We were advised that in instances where personal data is shared/ received by the council, it is routinely recorded in the Housing Benefits and Local Council Tax departments. Typically, this will be recorded on the services' case management systems. An example of this would be information shared with DWP, where CYC have direct access to the DWP system to process benefits information.

c7. CYC has not carried out any corporate level training needs analysis for staff making decisions about data sharing. Generic and role-based training needs analysis is important to ensure personal data is shared correctly.

Recommendation: Conduct generic and role-based training needs analysis for all staff sharing personal data at CYC. Deliver appropriate training, including refresher training, thereafter.

Management response: Accepted

CYC will link this with the identification of other local records management and data protection role specific responsibilities, and include it in the training/ learning/development mandatory framework including induction, targeted dedicated sessions aligned to local or role specific responsibilities, and refreshers as well as the PDR process. This means that progress of TNA will be aligned to the timescales for training development and delivery.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th June 2016

c8. The MAISP states that appropriate employees are provided with the training that accompanies MAISP. We understand this e-training is not yet available. The protocol does allow CYC to develop equivalent training. We were advised that CYC has made use of the ICO data sharing checklists and data sharing flowcharts in the MAISP. The Draft MAISP Implementation Strategy states that specific additional training will be required for data sharing. A Communications/ Training & Support Schedule is included in the Draft MAISP Implementation Strategy. This includes a requirement for e-learning training for all CYC staff.

c9. We were advised that Housing Benefits and Local Council Tax departments have data sharing training, including training for the Public Service Network for individual assessors. We understand they have their own dedicated training officer. Staff are also required to undertake systems training when accessing the DWP system for benefits.

c10. The MAISP sets out individual responsibilities for those who share data. This includes validating authorisation before disclosing information and upholding the general principles of confidentiality. These responsibilities should be communicated to staff.

Recommendation: Communicate individual responsibilities set out in MAISP to relevant staff.

Management response: Accepted

CYC has published the MAISP on the intranet. CYC team has already advised on responsibilities to those services/ areas/ staff who have requested advice on information sharing. Further roll out is planned as set out in the MAISP implementation strategy which will be amended and finalised from the draft version provided during the audit.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st December 2015

c11. A draft communication for staff about MAISP provides guidance to staff on decisions to share information. The guidance appears to focus on when children or adults are at serious risk of harm. But the guidance can be applied generally.

c12. The Data Protection Policy outlines both routine and one-off data sharing. However, the policy was published in 2008, and needs updating. For example, it does not mention MAISP.

Recommendation: Update the data sharing elements of the Data Protection Policy.

Management response: Accepted

CYC will include this in the review underway of the data protection policy.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

c13. CYC does not have a comprehensive up-to-date suite of policies, procedures and guidance that clearly set out who has the authority to make decisions about systematic sharing or one-off disclosures, and when it is appropriate to do so.

Recommendation: Develop a comprehensive up-to-date suite of policies, procedures and guidance for data sharing.

Management response: Accepted

CYC is underway with a review of full suite of policies and processes, training packages, guidance, checklists, toolkits, templates, monitoring and compliance reporting (with KPIs and targets) which includes data sharing.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th June 2016

c14. The YorOK website is maintained by York Family Information Service, which is part of CYC. It provides processes and common tools for data sharing to be used amongst various practitioners working to help children and young people.

c15. We were provided with many examples of where fair processing information is provided to data subjects regarding data sharing (unless an exemption applies). Interview feedback suggested that there were some examples of good practice across CYC. For example, the Family Focus Leaflet explains why, how, and with whom an individual's personal data will be shared. We also understand that a lot of fair processing information is given out over the phone.

c16. The MAISP explains the importance of privacy notices and the need to regularly update them. The protocol also provides a link to the ICO Privacy Notices Code of Practice.

c17. Where necessary, fair processing information is actively communicated to individuals and consent is sought. Examples of this can be seen in the Funding Application Form, the Troubled Families initiative, and Housing Benefit and Local Council Tax Support Form.

c18. CYC is in the early stages of introducing Privacy Impact Assessments (PIAs) council wide. This forms part of the IG Action Plan 2015. The Project Manager for Transformation has produced a draft Project Management Approach. This requires PIAs to be done in the project planning phase. It also refers to the ICO PIA Code of Practice. We were also provided with a PIA process map, draft PIA Briefing (version 2), and PIA screening questions & template (version 2). The Transparency & Feedback Team Manager intends to link the PIA issues and risks to the project risk register and/or the corporate risk registers which means they will be aligned to the Risk Management Policy. However, CYC do not have a specific PIA Policy which would further support the PIA process.

Recommendation: Finalise the draft Project Management Approach, and associated documents. Develop a specific policy for PIAs. See also c13.

Management response: Accepted
CYC will finalise the draft PM approach and associated documents. CYC will finish development of a PIA policy which will include the current PIA toolkit and guidance material and updating the information available on the intranet.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st December 2015

c19. The MAISP discusses the legal basis for sharing personal data and has a detailed appendix listing the legal basis for sharing personal data.

c20. We were advised that requests for advice on disclosing information are currently managed by the council team. The matter may then be passed to Veritau to provide further advice if necessary. Otherwise, advice requests are dealt with by the council team. We understand this full function is being transferred in house to the council team by the end of this calendar year on a staggered basis.

c21. Awareness of PIAs exists within CIGG, ICT, and the Project Transformation Team. This has been supported by communications to ICT and the main project team and the production of draft guidance on incorporating PIAs into the project management process. But as the guidance is in draft form it has not yet been cascaded throughout CYC. We note ICT will advise services about the need for PIAs through their involvement in projects and/ or service requests for significant changes to systems.

Recommendation: Cascade PIA requirements and guidance throughout CYC, once finalised.

Management response: Accepted
CYC is underway with the cascading of PIA requirements and guidance, by publishing on the intranet and provision of advice and support in conducting PIAs. PIAs will be monitored via the IAR and the IMB.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st December 2015

c22. We were provided with an initial PIA that ICT carried out for the Doqex file sharing application currently in development. It was reported that it will be up to individual service areas to assess if they need to carry out a further PIA

to identify any potential risks specific to their proposed use of Doqex, which are not covered by those identified by ICT in the PIA for Doqex. When registering to use the Doqex service, services will be prompted to assess whether they need to carry out a PIA and if necessary to seek advice from the Transparency & Feedback Team Manager.

Recommendation: Ensure PIAs are carried out for individual applications of Doqex, as planned.

Management response: Accepted
CYC is underway with the further PIA requirements for Doqex.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager
Transparency & Feedback Team Manager.

Date for implementation: 31st December 2015

c23. The ISAs provided that predate the MAISP were of a reasonable standard and did not present any significant concerns.

c24. We could not evidence any current governance arrangements at CYC to systematically review ISAs to ensure partner organisations are removed from or added to agreements when required, and to regularly examine the working of and ongoing necessity for, the agreements.

Recommendation: Establish governance arrangements at CYC to systematically review ISAs.

Management response: Accepted
CYC will include this in the IAR monitoring process and has included the monitoring/compliance in the new terms of reference for the IMB.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st December 2015

c25. The MAISP has an established cross-county Information Governance Monitoring Group which will meet at least annually. This would be a good forum to review the membership and workings of MAISP. The terms of reference for this group have not yet been formalised. We were also advised there is a MAISP "Information Sharing Quarterly Review" and all partners are invited to attend. The next meeting is 22 September 2015.

Recommendation: Formalise the terms of reference for the MAISP cross-county Information Governance Monitoring Group. Ensure the MAISP cross-county Information Governance Monitoring Group and/or MAISP "Information Sharing quarterly review" group periodically review the membership and workings of MAISP.

Management response: Accepted
The terms of reference for the MAISP being formalised and the comment regarding incorporating periodic review of the membership and workings of MAISP by the relevant group, was raised at the September meeting. This will be formalised at the next relevant meeting.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

c26. The ISA between York Youth Offending Team and CYC states when the agreement will be reviewed and by whom. It was also evidenced that there will be an annual review throughout the life of the Troubled Families Programme within CYC and a review whenever amended guidance is received from the DCLG.

c27. There is no central list of ISAs, and it was reported that there is no complete schedule of ISAs in adult social care, or other service areas. This raises the risk of a lack of corporate or departmental awareness of the number and nature of data sharing activities in place. We understand the

Transparency & Feedback Manager plans to develop the Information Asset Register to include this information.

Recommendation: Develop service level and a central, register of all ISAs, which detail the nature of the sharing, authorisation, and the partners. This should include information about the legal basis for data sharing.

Management response: Accepted

CYC is underway with implementing a register of all ISAs using the IAR process and the development of data sharing request and decision templates.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st January 2016

c28. From the evidence provided and interviews held there is limited evidence of corporate quality controls in place to ensure the data shared is of appropriate quality and is not retained for longer than necessary by all parties. We were also advised that it is difficult to find information about data quality in existing policies.

Recommendation: Ensure there are corporate controls in place to ensure the data shared is of appropriate quality and is not retained for longer than necessary by all parties. This requirement should also be reflected in relevant policies and guidance.

Management response: Accepted

CYC will include the requirement for controls for quality within both the review of the data protection policy and processes and records management policy and processes.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

c29. Data minimisation is not mentioned explicitly in MAISP. But it is included within the relevant legislation appendix of the MAISP under the Data Protection Act.

Recommendation:

- a) Update MAISP to explicitly discuss the requirement that shared data is minimised to agreed data sets or redacted.
- b) Ensure ISAs, relevant policies and guidance include the requirement that shared data is minimised to agreed data sets or redacted.

Management response: Accepted

(a) This recommendation will be shared at the next relevant MAISP group meeting

(b) CYC will include this requirement within the review of the relevant policies and processes.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

c30. In line with data protection requirements, shared data should clearly distinguish between fact and opinion. We were advised that Housing Benefits and Council Tax staff are trained to focus on the facts when recording personal data. Furthermore, the Strategic Business Intelligence Hub - Data access, recording and security policy requires information recorded to be factually accurate. However, there does not appear to be any common guidance on this across CYC.

Recommendation: Issue common guidance to CYC about clearly distinguishing between fact and opinion when recording personal data.

Management response: Accepted

CYC will update existing guidance where required and include in the relevant policy and processes reviews e.g. as part of the development of training materials and packages.

Owner: Lorraine Lunt Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

c31. The sender of personal data should inform recipients when shared personal data has been amended or updated. There was limited evidence that this was being done consistently in CYC.

Recommendation: Ensure that where appropriate, the sender informs recipients when shared data has been amended or updated.

Management response: Accepted

CYC will update existing guidance where required and include in the relevant policy and processes reviews e.g. as part of the development of training materials and packages.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

c32. We were advised that Housing Benefits has a quality assurance role which checks 4% of Assessors work each day. This will include information shared with DWP and other organisations. This will identify any accuracy issues (e.g. financial and procedural).

c33. We understand that adult social care has spent a large amount of time assessing the accuracy of its electronic records held on Frameworki. This is part of the data migration process for the upcoming switch to their new system Mosaic.

c34. The MAISP requires that in ISAs, partner agencies establish specific arrangements for retention and disposal of information for all parties involved, including details of the exact arrangements for the transfer, storage and destruction of data where required. The ISA between York Youth

Offending Team and CYC includes retention and destruction procedures for shared data. However, retention and destruction details do not appear to be routinely included in other ISAs.

Recommendation: Ensure common retention and disposal arrangements are included in all ISAs and that these are adhered to by all parties to any given ISA.

Management response: Accepted

CYC will include the requirement for retention and disposal arrangements to be included in all new ISAs and be part of the review for existing ISAs. The IAR process will enable monitoring of this.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 30th June 2016

c35. CYC use secure systems such as GCSx and PSN to transfer personal data to other organisations (e.g. benefit information to the DWP). CYC were also accredited with the NHS Information Governance Toolkit for the previous year.

c36. The MAISP states that specific security arrangements for ISAs should be detailed in the Partner Agency Information Sharing Arrangements, which should be periodically reviewed to ensure that security arrangements are appropriate and effective. However, it is not clear to what extent ISAs and supporting procedures set out how personal data will be shared, e.g. recorded post; encrypted email; secure file transfer protocol (SFTP) etc.

Recommendation: Ensure that all ISA and supporting procedures set out specifically how personal data will be shared securely.

Management response: Accepted

The partner information sharing agreement template in the MAISP has a section to detail how information will be shared at section 7. CYC has included this in the development of the data sharing request and decision templates. It will also be reflected in the review of the data protection policy and processes, training material etc.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

c37. CYC is planning to implement a secure file sharing service called Doqex, which staff can use to securely share files with internal and external parties. This would be another option to those mentioned in finding c36 especially when the files are very large. We were advised that the system is fully auditable, files are automatically encrypted when loaded into Doqex and there is an option to set a share password (for non CYC Doqex account holders) which is sent via text (separate to the emailed download link) to the recipient. This project is still in the early trial stages and has not been rolled out council wide.

c38. The MAISP states that access to the shared personal data will be detailed in the Partner Agency ISAs. However, there was limited evidence that access to data was detailed in all ISAs (both MAISP and non-MAISP).

Recommendation: ISAs should ensure that access to shared personal data is restricted to authorised personnel within each organisation where possible, on the basis of business need, e.g. a nominated point-of-contact.

Management response: Accepted

CYC will include this requirement in the review of the data protection policy and processes, training material etc. and in the data sharing request and decision templates.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

c39. It was apparent from the interviews that staff were mindful of ensuring personal data was only disclosed on a need to know basis.

c40. CYC has a system for reporting potential security incidents. This includes incidents involving data sharing.

c41. We were provided with an example of data processor contract clauses used by CYC. Whilst they clearly set out the various security requirements required from a data processor, they do not explicitly require the data processor to notify CYC in the event of a potential data security breach.

Recommendation: Include a clause in data processor contracts requiring them to notify CYC of any data security breaches.

Management response: Accepted

CYC will write a clause to be included in new tender documents to provide us with this notification and for existing contracts. We will include this at the point of renewal.

Owner: Andy Docherty, Assistant Director

Date for implementation: 29th February 2016

c42. CYC does not have a corporate policy on disclosing personal data to third parties. This would help ensure a consistent standard was applied to disclosure decisions council wide.

Recommendation: Develop a policy for disclosing personal data to third parties. This should be communicated to staff and updated regularly.

Management response: Accepted

CYC is underway with a review of the data protection policy and processes (and Access to Records policy) which will include provision for disclosing to 3rd parties. This will be reflected in training packages and guidance.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

c43. CYC has some guidance for staff considering requests from North Yorkshire Police (NYP). We were provided a RIPA Protocol between CYC and NYP. We were also provided a Section 29 template form to be used by NYP when requesting information from CYC.

c44. We were provided with some evidence that decisions to disclose information to third parties is logged by some teams and services. This includes the RIPA Protocol between CYC and North Yorkshire Police. But given the amount of teams and services it is difficult to establish a full picture. We do note the Draft MAISP Communication tells staff to record data sharing decisions.

c45. However, there is no council wide log or register of third party disclosures (in most cases disclosures relate to section 29). The Transparency & Feedback Team Manager and the Customer Complaint and Feedback Manager have advised that the council team is able to log third party requests and disclosures on their Response system.

Recommendation: Establish a central register for information requests from third parties. This should record the steps taken to identify the nature of the disclosure, the requester and the reason for any disclosure.

Management response: Accepted

CYC will create a central register for third party information requests as part of the review of the data protection policy and processes. This will be created and managed using the

case management system currently used for FOI, EIR, SAR etc. enquiries.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 31st December 2015

c46. There was limited evidence that third party disclosure decisions were quality assured or approved by appropriate staff.

Recommendation: Ensure third party disclosure decisions are quality assured and/or approved by appropriate staff.

Management response: Accepted

CYC is underway with a review of the data protection policy and processes which will include provision for quality assurance monitoring. Quality assurance monitoring will include the checking of appropriate approvals for disclosure decisions to third parties.

Owner: Lorraine Lunt, Transparency & Feedback Team Manager

Date for implementation: 29th February 2016

c47. CYC provides the York Open Data website. The website provides hundreds of up-to-date, searchable, open source datasets for organisations, with the aim of benefitting the local area.

c48. CYC was one of five local authorities that received top marks from an independent innovation charity NESTA, for the York Open Data platform.

c49. It was reported that CYC ensure any data published on the York Open Data Platform is completely anonymised. Prior to publication, all personal data is analysed and anonymised by CYC. The personal data is kept on a secure server and is then sent in its anonymised form to Castlegate IT, for publication. The exception to this would be

anonymised data taken from external websites. It was confirmed that if there were concerns about releasing information that could be personally identifiable, it would not be published.

- 7.4 The agreed actions will be subject to follow up to establish whether they have been implemented.
- 7.5 Any queries regarding this report should be directed to Stephanie Blears, Engagement Lead Auditor, ICO Good Practice.
- 7.6 During our audit, all the employees that we interviewed were helpful and co-operative. This assisted the audit team in developing an understanding of working practices, policies and procedures. The following staff members were particularly helpful in organising the audit:

Lorraine Lunt, Transparency & Feedback Team Manager.

Appendix A

Detailed findings and action plan

Action plan and progress

Recommendation	Agreed action, date and owner	Progress at 3 months Describe the status (complete/ partially complete/ not started) and action taken.	Progress at 6 months Describe the status (complete/ partially complete/ not started) and action taken.
<p>a5. Ensure that the job description for the Transparency and Feedback Team Manager accurately reflects the newly assigned responsibilities for information governance, incorporating records management. There should be a clear distinction between post holders with strategic responsibility and post holders with operational responsibility for the records management function.</p>	<p>Management response: Accepted CYC will review current job description to ensure clarity for strategic and operational responsibilities for records management.</p> <p>Owner: Andy Docherty, Assistant Director</p> <p>Date for implementation: 31st December 2015</p>		
<p>a9. Assign local records management responsibilities in line with the requirements of the Records Management Policy.</p>	<p>Management response: Accepted CYC will identify and assign local records management responsibilities in line with the reviewed/updated Records Management Policy.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation:</p>		

<p>a12. Ensure that records management features regularly on the CIGG agenda to mandate and monitor records management improvements.</p>	<p>30th June 2016</p> <p>Management response: Accepted CYC has completed the review of the CIGG terms of reference which will now be the Information Management Board (IMB) and includes records management including monitoring and compliance, in its purpose, aim, remit and objectives. The first meeting is planned for mid-November at which the standard agenda items will be approved.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>a14. Implement a records management programme of work and ensure that records management actions/ improvements and lessons learned are identified and implemented as necessary. This programme should be overseen by the CIGG.</p>	<p>Management response: Accepted CYC will develop a records management forward work programme. The IMB is to be responsible for records management monitoring and compliance as stated in the Terms of Reference</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st</p>		

<p>a15. Ensure that the Records Management Policy outlines methods for monitoring policy compliance and that this is communicated to staff.</p>	<p>March 2016</p> <p>Management response: Accepted CYC will include monitoring compliance and guidance in the review of the current Records Management Policy. The launch of the revised policy will include a communications plan for raising awareness as well as guidance, training package(s). When completed, this will be published on the intranet and internet.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31 March 2016</p>		
<p>a17. Ensure that the Records Management Policy is reviewed in line with time periods for review set out in the policy.</p>	<p>Management response: Accepted CYC is currently underway with a review of the Records Management Policy (including a communications plan) and will put in place a monitoring process to ensure future reviews are undertaken within the set time periods.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		

<p>a18. Review the draft records management guidance alongside the Records Management Policy to ensure that it is complete, consistent and up-to-date. Ensure that communication of records management guidance is included within a Communications Plan for the Records Management Policy.</p>	<p>Management response: Accepted CYC is currently reviewing the guidance, training package(s) etc. for records management alongside the review of the policy. Following the approval of the reviewed policy, CYC will undertake the actions from the communications plan including providing guidance, training package(s) and publication on the intranet.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st May 2016</p>		
<p>a23. Ensure that records management is incorporated within a formal training programme that comprises mandatory induction and periodic refresher training for all staff with access to personal data.</p>	<p>Management response: Accepted CYC will ensure that records management is included in its training/learning/development mandatory framework including induction, targeted dedicated sessions aligned to local records management responsibilities, and refresher.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30 April 2016</p>		
<p>a28. Ensure that records</p>	<p>Management response:</p>		

<p>management training needs are assessed and addressed for key roles and staff groups.</p>	<p>Accepted CYC will link this with the identification of local records management responsibilities, inclusion in the mandatory framework and into the PDR process where appropriate. Progress of TNA as well as meeting the needs identified through the TNA, will be monitored via the IMB.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st May 2016</p>		
<p>a30. Review the Data Protection Policy to ensure that it is up to date and reflects best practice.</p>	<p>Management response: Accepted CYC is currently underway with a review of the Data Protection Policy (including a communications plan, guidance, training packages) which is now taking account of the comments and recommendations in this ICO audit.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		
<p>a31. Ensure all privacy notices are readily available and easily accessible from the council's</p>	<p>Management response: Accepted At the launch of the new CYC</p>		

homepage.	<p>website, we updated the Privacy Notice accessible via the main/home page. Further work will be undertaken following the collation of all existing privacy notices, information sharing agreements etc. as part of the new "information asset register monitoring and compliance" across the council, to identify how best to ensure all are easily accessible/searchable/linked where relevant from the main web page.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30 April 2016</p>		
<p>a32. Ensure that privacy notices are made available for all services to inform individuals about the use of their personal data.</p>	<p>Management response: Accepted As part of the new "information asset register monitoring and compliance" across the council, we will be able to identify where privacy notices are not held and therefore put in place a work plan to complete these.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30 April 2016</p>		
<p>a33. Ensure that there is a policy</p>	<p>Management response:</p>		

<p>requirement to regularly review the accuracy and content of privacy notices.</p>	<p>Accepted CYC will include the requirement for regular review of the accuracy and content of privacy notices in the review of the Data Protection policy and develop guidance, training package(s) for staff responsible for privacy notices.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30 April 2016</p>		
<p>a39. Review the IAR quarterly to ensure that it remains up-to-date and fit for purpose. Ensure that the IAR references relevant risks to the information assets.</p>	<p>Management response: Accepted CYC is currently underway with updating the IAR which includes how it will be monitored and used to identify areas such as PIAs, PIA risks etc. where relevant. The IMB will monitor compliance.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31 March 2016</p>		
<p>a42. Include storage arrangements at Yorkcraft within the internal audit plan of security checks.</p>	<p>Management response: Accepted CYC will include Yorkcraft in the internal audit plan of security checks. Meeting arranged with internal auditors mid-November</p>		

	<p>for this.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31 December 2015</p>		
<p>a45. Review the requirement for the retention of both scanned and manual client records by adult social care.</p>	<p>Management response: Accepted CYC will review retention requirements for both scanned and manual adult social care records. The Transparency and Feedback Team Manager and the IMB where appropriate, will advise and support the service area. The Transparency and Feedback Team manager is attending the case management system project board to incorporate the scanned and manual records retention requirements into the project.</p> <p>Owner: Director of Adult Social Care</p> <p>Date for implementation: 31st March 2016</p>		
<p>a46.</p> <p>a) Assign owners to the boxes of 'mystery social care' records stored at Yorkcraft.</p> <p>b) Ensure that the adult social care records stored within the separate filing cabinets at Yorkcraft are logged and</p>	<p>Management response: Accepted CYC will identify and/or assign owners within the service area. The Transparency and Feedback Team Manager and Yorkcraft will work with the service area to ensure that arrangements</p>		

<p>tracked in line with Yorkcraft's Archive Procedure.</p>	<p>are put in place for logging and tracking of the information held in the storage cabinets.</p> <p>Owner: Director of Adult Social Care</p> <p>Date for implementation: 31st May 2016</p>		
<p>a50. Introduce a tracing system to ensure that services actively manage the whereabouts of records retrieved from storage.</p>	<p>Management response: Accepted CYC will complete the development and introduce a tracing system for records retrieved from storage.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>a55. Ensure that all Business Continuity Plans are finalised and reviewed and tested in line with the review dates specified on the plans/ assessments.</p>	<p>Management response: Accepted CYC will ensure all BCPs are finalised and reviewed in line with the dates they specify.</p> <p>Owner: Steve Waddington, Assistant Director Housing and Public Protection</p> <p>Date for implementation: 30 June 2016</p>		
<p>a59. Ensure that a consistent approach is taken across all services for the storage of physical files in the office.</p>	<p>Management response: Accepted CYC has 2 main sites at West Offices and Hazel Court, as well</p>		

	<p>as other facilities/locations across the city. CYC will respond to this recommendation at the 2 main sites by putting in place a consistent approach to storage of physical files. CYC will then roll this out across the other facilities/locations and monitor compliance with this through the information security sweeps conducted by internal auditors.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>a60. Ensure that all services, and teams within them, have a procedure for the secure central storage of cabinet keys.</p>	<p>Management response: Accepted CYC is underway with investigating the options and impacts for the development of a process for secure central storage of cabinet keys. This will include a roll out/ implementation plan, communications plan and compliance/ monitoring plan.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st May 2016</p>		
<p>a65. Ensure that appropriate</p>	<p>Management response:</p>		

<p>restrictions are in place to prevent</p> <p>████████████████████</p> <p>████████████████████</p> <p>████████████████</p> <p>████████████████████</p> <p>████</p>	<p>Accepted CYC is currently investigating options to ensure that appropriate restrictions are in place to meet this recommendation.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>a75. Introduce periodic reviews of access permissions granted in Norwel.</p>	<p>Management response: Accepted CYC is underway with investigating the tasks required and the impacts of introducing periodic access permission reviews in Norwel.</p> <p>Owner: Practice Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>a79. Clear and consistent guidance on taking records containing personal data offsite, should be produced and made available to staff.</p>	<p>Management response: Accepted CYC will include this in the current review of the DP policy and guidance and training package(s).</p> <p>Owner: Director of Adults Social Care and Director of Children's Services</p> <p>Date for implementation: 29 February 2016</p>		

<p>a80. Staff should be provided with or advised on appropriate methods and/or media for transporting client records offsite.</p>	<p>Management response: Accepted CYC will include this in the current review of the DP policy and guidance and training package(s).</p> <p>Owner: Director of Adults Social Care and Director of Children’s Services</p> <p>Date for implementation: 29 February 2016</p>		
<p>a83. Ensure guidance on the protective marking scheme within the staff intranet is up-to-date. Any updated scheme arrangements should be communicated to staff.</p>	<p>Management response: Accepted CYC will undertake a review of the current guidance and update this where required. This will include a review of the layout and look and feel of the information on the intranet. All changes will be communicated to staff.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>a84. Appropriate and consistent security measures should be in place when sending personal data (especially sensitive personal data) by post. Considerations should be given as to whether personal data can be minimised or sent by other means; and</p>	<p>Management response: Accepted CYC will include this in the current review of the DP policy and guidance and training package(s).</p> <p>Owner: Lorraine Lunt,</p>		

addresses should be checked.	Transparency & Feedback Team Manager Date for implementation: 31 st March 2016		
a85. Consider an appropriate method to reduce the risk of unauthorised access to incoming and outgoing post.	Management response: Accepted CYC will consider options to provide appropriate methods (both in the short and long term) to reduce the risk of unauthorised access to incoming and outgoing post. Owner: Lorraine Lunt, Transparency & Feedback Team Manager Date for implementation: 31 st March 2016		
a86. Introduce procedures to ensure that outgoing post is stored securely after the last collection each day.	Management response: Accepted CYC will investigate options to provide appropriate procedures for ensuring outgoing post is stored securely Owner: Lorraine Lunt, Transparency & Feedback Team Manager Date for implementation: 31 st March 2016		
a89. CYC should have up-to-date retention schedules in place which are based on business needs and have reference to statutory requirements and other relevant	Management response: Accepted CYC is currently underway with a review of the Records Management Policy as well as		

<p>principles. Retention schedules should provide sufficient information for all records to be identified and disposal decisions put into effect. There should also be a link between the assets in the IAR and their associated retention schedules.</p>	<p>updating the IAR which will include identifying retention schedule(s) that need updating. This identification will then inform a work plan to ensure they are based on business needs and reference statutory requirements and provide information on identification and disposal.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30th June 2016</p>		
<p>a90. Retention schedules should be regularly reviewed to ensure that they meet business needs and statutory requirements.</p>	<p>Management response: Accepted CYC has updated the terms of reference for the IMB (replacing CIGG) and it includes records management monitoring and compliance. Alongside this, CYC is underway with updating the IAR and identifying a work plan for updating retentions schedules, all of which will support the regular review of retention schedules to ensure they meet business needs and statutory requirements.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation:</p>		

	30 th June 2016		
a91. Assign responsibility to appropriate individuals/asset owners to ensure retention periods are adhered to.	<p>Management response: Accepted CYC has updated the terms of reference for the IMB (replacing CIGG) and it includes records management monitoring and compliance. Alongside this, CYC is underway with updating the IAR and identifying a work plan for updating retentions schedules, all of which will support the assigning of responsibility for adherence to retention schedules.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30th June 2016</p>		
a100. Ensure that the Yorkcraft SLA is periodically reviewed in line with review periods set out in the Agreement.	<p>Management response: Accepted CYC will review the Yorkcraft SLA and ensure ongoing reviews are conducted in the time periods subsequently set out.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
a104. Identify records management performance	<p>Management response: Accepted</p>		

<p>measures that reflect organisational needs and risks identified in the corporate risk management framework.</p>	<p>CYC has updated the terms of reference for the IMB (replacing CIGG) and it includes records management monitoring and compliance. Work will now be done to determine what the key performance indicators are to reflect our needs and risks. These will be aligned to the risks identified for the corporate risk management framework.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>a105. Ensure that reporting details are being produced as required in the Yorkcraft SLA.</p>	<p>Management response: Accepted CYC will review the Yorkcraft SLA and ensure reports are produced.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>a106. There should be periodic internal audit of the security and use of records, and a formal report issued to senior management.</p>	<p>Management response: Accepted CYC will include this in the internal audit plan. Meeting arranged with internal auditors mid-November for this.</p> <p>Owner: Lorraine Lunt,</p>		

	<p>Transparency & Feedback Team Manager</p> <p>Date for implementation: 31 December 2015</p>		
<p>a108. Review the Information Security Incident Procedure and ensure that it is fit for purpose and in line with best practice.</p>	<p>Management response: Accepted CYC have provided breach management training for 2 key staff and they are now underway with a review of the breach management process, procedures and training materials. This will take account of ICO codes of practices, exemplar organisations processes, etc. and will also identify links to the Caldicott Guardian issues reporting process. The review will also include the development and delivery plan for training, guidance/toolkits, and key performance indicators and how to ensure lessons are learned from breach management reporting. Monitoring has been included in the new terms of reference for the IMB.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>a110. Review the IG Risk</p>	<p>Management response:</p>		

<p>Register in line with the new Risk Management Policy and Strategy to ensure that risk ratings are correct.</p>	<p>Accepted CYC will start the review of the IG risk register in mid-November to ensure it is in line with the new Risk Management Policy and Strategy.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>a112. a) Assigned responsibility for IAO roles across CYC should be clearly communicated. b) IAOs should receive appropriate training to fulfil their roles.</p>	<p>Management response: Accepted CYC is underway with reviewing the IAR and this will include identifying assigned IAOs and IAAs. This will then enable us to develop and deliver awareness, guidance and dedicated training for the IAOs and IAAs and a communications plan.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: (a) 31st March 2016 (b) 30 June 2016</p>		
<p>a113. Information Asset Administrators should be identified and nominated, as planned to support the IAO function, and should receive training as appropriate.</p>	<p>Management response: Accepted CYC is underway with reviewing the IAR and this will include identifying assigned IAOs and IAAs. This will then enable us to develop and deliver awareness,</p>		

	<p>guidance and dedicated training for the IAOs and IAAs and a communications plan.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30 June 2016</p>		
<p>a114. CYC should ensure that its Data Processor Contracts provide it with a right to physically audit its data processors' premises.</p>	<p>Management response: Partially Accepted CYC will write a clause to be included in new tender documents to provide us with this right and for existing contracts. We will include this at the point of renewal.</p> <p>Owner: Andy Docherty, Assistant Director</p> <p>Date for implementation: 29th February 2016</p>		
<p>b1. Finalise and implement the new SAR process.</p>	<p>Management response: Accepted CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc. and will use this ICO report recommendations to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.</p>		

	<p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b2. Finalise the draft Access to Records Policy and SAR checklist. Update the 'Interim Practice Guidance to Social Workers: Subject Access Requests', 'Business Support SAR Process Children's Services' and 'Business Support SAR flowchart' to reflect the final SAR process.</p>	<p>Management response: Accepted CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc. and will use this ICO report recommendations to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b3. a) Update website guidance to reflect the new SAR process, as planned. b) Make the SAR guidance on the website easier to locate.</p>	<p>Management response: Accepted Following completion of the review of the SAR process and Access to Records policy, and as part of the communications plan being actioned, (a) the website pages will be updated and (b) easier access and search options will be investigated and put in place where possible.</p>		

	<p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>b4.</p> <p>a) CYC should review current data processing contracts to ensure they include the appropriate obligations regarding SARs. This should be included in all future contracts with data processors.</p> <p>b) Integrate third party SARs into the new SAR process to ensure adequate oversight.</p>	<p>Management response: Partially accepted (a) CYC will undertake reviews of current data processing contracts at the time of renewal and (b) include the provision for 3rd party SARs within the review of the SAR process.</p> <p>Owner: (a) Andy Docherty, Assistant Director (b) Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: (a) to be determined by renewal timescales (b) 31st March 2016</p>		
<p>b7. Implement quality assurance procedures through the council team for all SAR responses as proposed.</p>	<p>Management response: Accepted CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc. and will include how the CYC team will quality assure/check SAR responses and how this will be reported. The new IMB will be responsible for monitoring and compliance.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team</p>		

	<p>Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>b8. Raise awareness of the 'Interim Practice Guidance to Social Workers: Subject Access Requests' amongst all relevant staff/teams.</p>	<p>Management response: Accepted CYC team will continue to raise awareness and provide guidance to relevant teams and staff.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30th November 2015</p>		
<p>b9. As proposed, develop council wide training for staff so staff can recognise a SAR. Conduct training needs analysis of staff involved in the SAR process and provide role specific training where appropriate.</p>	<p>Management response: Accepted CYC will include this training needs analysis in with that being done for records management, IAOs, IAAs etc. Training packages are being developed which will include induction and refresher awareness, and more role and responsibility specific training packages. Delivery will be using the most appropriate method e.g. Icomply, elearning or classroom.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30</p>		

	April 2016		
b10. Update guidance available on staff intranet to reflect new SAR process.	<p>Management response: Accepted CYC will update intranet guidance when SAR process and Access to Records policy reviews are completed.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30 April 2016</p>		
b14. Where appropriate, staff should consider whether children have capacity to independently request a SAR.	<p>Management response: Accepted CYC will include this in SAR process and Access to Records policy guidance, training and published on the intranet. However if advice sought verbally whilst this work is underway, the CYC team will give this.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30 April 2016</p>		
b19. The council team should routinely record what information (if any) is withheld under exemption or relating to third parties and the basis for withholding the personal data.	<p>Management response: Accepted CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc. and will use this ICO report</p>		

	<p>recommendations to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b20. Formalise the requirement for staff to promptly contact the SAR requestor in the event of delay. In such cases, CYC should explain to the requestor the reason for the delay and the expected date for response.</p>	<p>Management response: Accepted CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc. and will use this ICO report recommendation to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b21. Record the formal process for chasing departments for SAR responses and escalating to Heads</p>	<p>Management response: Accepted CYC will include this is the SAR</p>		

<p>of Services when overdue. This process should look to identify why the SAR is overdue, current progress, and when it is likely to be finished.</p>	<p>process and monitoring reports will go the IMB to monitor compliance.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b22. Ensure any new manual records are maintained to a good standard. Where practicable, take steps to improve any older files that have been poorly maintained.</p>	<p>Management response: Accepted CYC will undertake to develop good standards for manual records in line with the work being done in Adults and Children’s Social Care case management system improvements and linked to recommendations made for records management in this audit report.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30 June 2016</p>		
<p>b24. Keep a record of the searches made to locate personal data in response to a SAR.</p>	<p>Management response: Accepted CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc. and will use this ICO report recommendations to further update where required. This</p>		

	<p>review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b25. Ensure that adult social care retains an unredacted copy of the SAR response.</p>	<p>Management response: Accepted CYC is currently underway with a review of the SAR process, Access to Records policy, training material etc. and will use this ICO report recommendations to further update where required. This review will include the writing of what will be required in the training packages, checklists/toolkits, templates and a communications plan.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b26. Ensure there are appropriate retention periods for unredacted and redacted SAR responses.</p>	<p>Management response: Accepted CYC will include this is in the Access to Records policy, guidance, training and also</p>		

	<p>publish on the intranet. However if advice sought verbally whilst this work is underway, the CYC team will give this.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b28. Ensure Yorkcraft securely destroy SAR responses in line with retention periods.</p>	<p>Management response: Accepted CYC will include the requirement for a checking process at Yorkcraft for destruction of SAR responses in line with the current checking process they have for destruction of other stored records.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b30. Support the advice function provided by Veritau, and in future the council team, with written guidance on exemptions and redactions.</p>	<p>Management response: Accepted CYC is currently underway with a review of the SAR process, Access to Records policy as well as training and guidance material required which includes exemptions and redacting information. Delivery of awareness and role –specific</p>		

	<p>training will be delivered using a variety of methods such as induction and refresher sessions, Icomply, elearning and classroom based. However if advice sought verbally whilst this work is underway, the CYC team will give this.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30th June 2016</p>		
<p>b31. Amend practice guidance to advise staff to contact either Veritau or the council team for SAR advice when required.</p>	<p>Management response: Accepted CYC is currently underway with a review of the SAR process, Access to Records policy as well as training and guidance material, which will include contact information for advice and support. However if advice sought verbally whilst this work is underway, the CYC team will give this.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30th April 2016</p>		
<p>b33. Issue guidance and template letters/paragraphs to assist staff in their response to the data subject. This should include a</p>	<p>Management response: Accepted CYC is currently underway with a review of the SAR process,</p>		

<p>description of how data subjects' personal data is being used and to whom it may be disclosed, an explanation of the searches undertaken to locate their personal data, and where appropriate, an explanation as to why information has been redacted or exempted.</p>	<p>Access to Records policy as well as training and guidance material. This will include a suite of template responses for SARs. However if advice sought verbally whilst this work is underway, the CYC team will give this.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30th April 2016</p>		
<p>b34. Consider marking SAR responses 'data subject copy' before release.</p>	<p>Management response: Accepted CYC will include the requirement for a marking process in the review of the SAR process and Access to Records policy as well as include in the review of the data protection policy where relevant.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>b36. Introduce regular reporting of SAR performance and complaints to the CIGG or other relevant groups as proposed. Ensure that issues are acted upon accordingly.</p>	<p>Management response: Accepted CYC has completed the review of the CIGG terms of reference which will now be the Information Management Board (IMB) and includes monitoring</p>		

	<p>and compliance, in its purpose, aim, remit and objectives. The first meeting is planned for mid-November at which the standard agenda items, such as KPI reporting, will be approved.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>b37. Introduce and regularly monitor an appropriate target rate for SAR compliance, as planned. See also b36.</p>	<p>Management response: Accepted The SAR report for 1st April 2015 to 31st August 2015 shows 30 SARs received, 25 responded to in time and 5 out of time, which is a compliance rate of 83.3%. Reporting of KPIs will be through the new IMB and will include SAR compliance. The first meeting is planned for mid-November.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>b38. Produce management information on SAR compliance which can demarcate performance at the service level, as planned.</p>	<p>Management response: Accepted Reporting of KPIs will be through the new IMB and will include SAR compliance rates</p>		

	<p>both for the whole council and by service. The first meeting is planned for mid-November. Also the review of the SAR process will include points during the 40 day timescale to provide opportunities for early identification of issues.</p> <p>Owner: Lorraine Lunt Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>b39. Raise awareness amongst staff that the new process requires all SAR requests go to the council team in the first instance.</p>	<p>Management response: Accepted CYC has conducted an awareness campaign for SARs using a variety of methods e.g. staff email, staff newsletter, display screens in staff hub areas and posters on all staff noticeboards. The current review of the SAR process and Access to Records policy will include opportunities for further ongoing awareness.</p> <p>Owner: Lorraine Lunt Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>c3. Finalise and action the MAISP Implementation Strategy, and align existing ISAs to MAISP</p>	<p>Management response: Accepted The MAISP has been published</p>		

<p>requirements, as planned.</p>	<p>on the CYC intranet and further progress of the final MAISP implementation strategy is underway. The MAISP information sharing template is also published on the intranet and has been used for new arrangements. Using the IAR monitoring process, CYC will be able to identify a schedule for review of ISAs which will include alignment with MAISP for relevant ISAs.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30 June 2016</p>		
<p>c4. Ensure all ISAs are signed off by an appropriately senior member of staff.</p>	<p>Management response: Accepted CYC has highlighted this at the MAISP group and there has been an agreement to consider making any relevant amendments to the MAISP from the recommendations. CYC is also underway with the review of data protection policy and processes which include the development of a toolkit for completing ISA e.g. request and decision templates, ISA templates, checklists etc. and training and guidance will be provided to those with ISA responsibilities.</p>		

	<p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>c5. Embed requirement to record the reason for all data sharing decisions at CYC.</p>	<p>Management response: Accepted CYC is underway with the review of data protection policy and processes which include the development of a toolkit for completing ISA e.g. request and decision templates, ISA templates, checklists etc. and training and guidance will be provided to those with ISA responsibilities.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st March 2016</p>		
<p>c7. Conduct generic and role-based training needs analysis for all staff sharing personal data at CYC. Deliver appropriate training, including refresher training, thereafter.</p>	<p>Management response: Accepted CYC will link this with the identification of other local records management and data protection role specific responsibilities, and include it in the training/learning/development mandatory framework including induction, targeted dedicated sessions aligned to local or role specific responsibilities, and</p>		

	<p>refreshers as well as the PDR process. This means that progress of TNA will be aligned to the timescales for training development and delivery.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30th June 2016</p>		
<p>c10. Communicate individual responsibilities set out in MAISP to relevant staff.</p>	<p>Management response: Accepted CYC has published the MAISP on the intranet. CYC team has already advised on responsibilities to those services/ areas/ staff who have requested advice on information sharing. Further roll out is planned as set out in the MAISP implementation strategy which will be amended and finalised from the draft version provided during the audit.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>c12. Update the data sharing elements of the Data Protection Policy.</p>	<p>Management response: Accepted CYC will include this is the review underway of the data protection policy.</p>		

	<p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		
<p>c13. Develop a comprehensive up-to-date suite of policies, procedures and guidance for data sharing.</p>	<p>Management response: Accepted CYC is underway with a review of full suite of policies and processes, training packages, guidance, checklists, toolkits, templates, monitoring and compliance reporting (with KPIs and targets) which includes data sharing.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30th June 2016</p>		
<p>c18. Finalise the draft Project Management Approach, and associated documents. Develop a specific policy for PIAs. See also c13.</p>	<p>Management response: Accepted CYC will finalise the draft PM approach and associated documents. CYC will finish development of a PIA policy which will include the current PIA toolkit and guidance material and updating the information available on the intranet.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team</p>		

	<p>Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>c21. Cascade PIA requirements and guidance throughout CYC, once finalised.</p>	<p>Management response: Accepted CYC is underway with the cascading of PIA requirements and guidance, by publishing on the intranet and provision of advice and support in conducting PIAs. PIAs will be monitored via the IAR and the IMB.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>c22. Ensure PIAs are carried out for individual applications of Doqex, as planned.</p>	<p>Management response: Accepted CYC is underway with the further PIA requirements for Doqex.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager Transparency & Feedback Team Manager.</p> <p>Date for implementation: 31st December 2015</p>		
<p>c24. Establish governance arrangements at CYC to systematically review ISAs.</p>	<p>Management response: Accepted CYC will include this in the IAR monitoring process and has</p>		

	<p>included the monitoring/compliance in the new terms of reference for the IMB.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>c25. Formalise the terms of reference for the MAISP cross-county Information Governance Monitoring Group. Ensure the MAISP cross-county Information Governance Monitoring Group and/or MAISP “Information Sharing quarterly review” group periodically review the membership and workings of MAISP.</p>	<p>Management response: Accepted The terms of reference for the MAISP being formalised and the comment regarding incorporating periodic review of the membership and workings of MAISP by the relevant group, was raised at the September meeting. This will be formalised at the next relevant meeting.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>c27. Develop service level and a central, register of all ISAs, which detail the nature of the sharing, authorisation, and the partners. This should include information about the legal basis for data sharing.</p>	<p>Management response: Accepted CYC is underway with implementing a register of all ISAs using the IAR process and the development of data sharing request and decision templates.</p>		

	<p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st January 2016</p>		
<p>c28. Ensure there are corporate controls in place to ensure the data shared is of appropriate quality and is not retained for longer than necessary by all parties. This requirement should also be reflected in relevant policies and guidance.</p>	<p>Management response: Accepted CYC will include the requirement for controls for quality within both the review of the data protection policy and processes and records management policy and processes.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		
<p>c29. a) Update MAISP to explicitly discuss the requirement that shared data is minimised to agreed data sets or redacted. b) Ensure ISAs, relevant policies and guidance include the requirement that shared data is minimised to agreed data sets or redacted.</p>	<p>Management response: Accepted (a) This recommendation will be shared at the next relevant MAISP group meeting (b) CYC will include this requirement within the review of the relevant policies and processes.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		
<p>c30. Issue common guidance to</p>	<p>Management response:</p>		

<p>CYC about clearly distinguishing between fact and opinion when recording personal data.</p>	<p>Accepted CYC will update existing guidance where required and include in the relevant policy and processes reviews e.g. as part of the development of training materials and packages.</p> <p>Owner: Lorraine Lunt Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		
<p>c31. Ensure that where appropriate, the sender informs recipients when shared data has been amended or updated.</p>	<p>Management response: Accepted CYC will update existing guidance where required and include in the relevant policy and processes reviews e.g. as part of the development of training materials and packages.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		
<p>c34. Ensure common retention and disposal arrangements are included in all ISAs and that these are adhered to by all parties to any given ISA.</p>	<p>Management response: Accepted CYC will include the requirement for retention and disposal arrangements to be included in all new ISAs and be part of the review for existing ISAs. The</p>		

	<p>IAR process will enable monitoring of this.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 30th June 2016</p>		
<p>c36. Ensure that all ISA and supporting procedures set out specifically how personal data will be shared securely.</p>	<p>Management response: Accepted The partner information sharing agreement template in the MAISP has a section to detail how information will be shared at section 7. CYC has included this in the development of the data sharing request and decision templates. It will also be reflected in the review of the data protection policy and processes, training material etc.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		
<p>c38. ISAs should ensure that access to shared personal data is restricted to authorised personnel within each organisation where possible, on the basis of business need, e.g. a nominated point-of-contact.</p>	<p>Management response: Accepted CYC will include this requirement in the review of the data protection policy and processes, training material etc. and in the data sharing request and decision templates.</p>		

	<p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		
<p>c41. Include a clause in data processor contracts requiring them to notify CYC of any data security breaches.</p>	<p>Management response: Accepted CYC will write a clause to be included in new tender documents to provide us with this notification and for existing contracts. We will include this at the point of renewal.</p> <p>Owner: Andy Docherty, Assistant Director</p> <p>Date for implementation: 29th February 2016</p>		
<p>c42. Develop a policy for disclosing personal data to third parties. This should be communicated to staff and updated regularly.</p>	<p>Management response: Accepted CYC is underway with a review of the data protection policy and processes (and Access to Records policy) which will include provision for disclosing to 3rd parties. This will be reflected in training packages and guidance.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		
<p>c45. Establish a central register</p>	<p>Management response:</p>		

<p>for information requests from third parties. This should record the steps taken to identify the nature of the disclosure, the requester and the reason for any disclosure.</p>	<p>Accepted CYC will create a central register for third party information requests as part of the review of the data protection policy and processes. This will be created and managed using the case management system currently used for FOI, EIR, SAR etc. enquiries.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 31st December 2015</p>		
<p>c46. Ensure third party disclosure decisions are quality assured and/or approved by appropriate staff.</p>	<p>Management response: Accepted CYC is underway with a review of the data protection policy and processes which will include provision for quality assurance monitoring. Quality assurance monitoring will include the checking of appropriate approvals for disclosure decisions to third parties.</p> <p>Owner: Lorraine Lunt, Transparency & Feedback Team Manager</p> <p>Date for implementation: 29th February 2016</p>		

This page is intentionally left blank

**Audit and Governance Committee**

9 December 2015

Report of the Head of Internal Audit

Audit & Counter Fraud Monitoring Report

Summary

- 1 This report provides an update on progress made in delivering the internal audit workplan for 2015/16 and on current counter fraud activity.

Background

- 2 The work of internal audit is governed by the Accounts and Audit (England) Regulations 2015 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 completed 27% of the 2015/16 audit plan based on reports issued. The figures do not reflect audits in progress or recently completed¹. It is anticipated that the 93% target for the year will be exceeded by the end of April 2016 (the cut off point for 2015/16 audits).
- 4 Details of the audits completed and reports issued since the last report to this committee in September 2015 are given in annex 1.
- 5 A number of variations to the audit plan have been approved by the Director of CBSS since the last report to this committee in September 2015. Details are included in annex 2.

¹ The figure including work in progress and work completed but not yet reported is 66%.

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 There were no breaches of council financial regulations identified during audit work in the period.

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 2015/16 internal audit work programme, and current counter fraud activity.

Reason

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

Contact Details

Author:

Max Thomas
Head of Internal Audit
Veritau Limited
01904 552940

Chief Officer Responsible for the report:

Ian Floyd
Director of CBSS
Telephone: 01904 551100

**Report
Approved**



Date 26/11/2015

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers

- 2015/16 Internal Audit and Counter Fraud Plan

- The final internal audit reports referred to in annex 1 are available as background papers on the ModGov site

Annexes

Annex 1 – 2015/16 Audits Completed and Reports Issued

Annex 2 – Variations to the 2015/16 Audit Plan

Annex 3 – Counter Fraud Activity

AUDITS COMPLETED AND REPORTS ISSUED

The following categories of opinion are used for audit reports.

Opinion	Level of Assurance
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.
Reasonable	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.

<u>Priority</u>	<u>Long Definition</u>	<u>Short Definition – for use in Audit Reports</u>
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>

Priority

Long Definition

Short Definition – for use in Audit Reports

2

Action considered necessary to improve or implement system controls so as to ensure an effective control environment exists to minimise exposure to significant risks such as financial or other loss.

A significant system weakness, whose impact or frequency presents risks to the system 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

Four 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.

Opinion	Number	Reports
High Assurance	0	
Substantial Assurance	3	Applefields School, Committee Reports, Dunnington CE Primary School
Reasonable Assurance	1	Information Security Sweeps
Limited Assurance	0	
No Assurance	0	
Not given	0	

Final Reports Issued

The table below shows audit reports finalised since the last report to this committee in September 2015. In all cases the recommendations made have been accepted by management, and will be followed up by internal audit.

Audit	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
		Total	Priority 1	
Rufforth Primary School	High Assurance	4	0	A schools audit. No significant weaknesses were found.
St. Lawrence's Primary School	Substantial Assurance	7	0	A schools audit. The control environment was generally effective although a number of areas requiring improvement were identified.
Payroll	Reasonable Assurance	7	0	It was found that there were control weaknesses within the process for submission and authorisation of hours claims made via employee self-service, and some amendments

Audit	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
		Total	Priority 1	
				<p>to guidance are required to assist employees and managers in making and authorising claims accurately.</p> <p>It is recognised that in both of these areas, identified issues related to weaknesses and inconsistencies in practice between managers across the council and did not represent a poor system of control within the overall payroll system</p>
Recruitment Checks	Reasonable Assurance	6	0	Overall, no major issues were found with the recruitment check process. However, some issues which would warrant management's attention were identified including the timeliness of receiving documentation, the quality of internal guidance documents and the approach to recruitment checks on agency staff.
Public Health	Limited Assurance	6	2	The Public Health team is currently lacking resources in key roles and there have been a number of changes in the key Director of Public

Audit	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
		Total	Priority 1	
				Health role. There are also weaknesses in budget monitoring and contract monitoring which need to be addressed.

Other non-opinion audit work completed

	Work done / significant weaknesses / issues identified
Better Care Fund	This piece of work assessed the council's implementation of the Better Care Fund; a pooled budget between the council and NHS partners. It found that there were several actions required including defining overall responsibilities, formally signing the pooled budget agreement and creating a specific risk register for the project. An action plan has been agreed and will be followed-up in 2016.
Care Act Phase 1 Arrangements	This piece of work assessed the council's implementation of the phase 1 requirements of the Care Act 2014. It found that the council has put arrangements in place to address the requirements. As new guidance is released the council plans to adapt what is in place in line with the new guidance.
Children's Direct Payments	This piece of work intended to provide support and advice to the Special Educational Needs (SEN) team as they develop procedures and controls to implement new regulations

	that came into effect in late 2014. It made a number of recommendations and two actions were agreed to formalise current arrangements.
Tour de France	A review of commercial elements of the Tour de France project in 2013. The report highlights a number of lessons to be learnt for any future project.
Reactive Repairs Ordering Processes	This was a piece of advisory work which was carried out after Veritau were approached by Building Services to ask if they could assist with some work on 'ordering processes for external contractors'. Findings from previous audit work identified control issues and inefficiencies and the service intended to review their ordering processes but other priorities and resource constraints means that little progress has been made on this. As a result, Veritau documented systems and processes and provided options for consideration of the service.
Data breaches	Veritau has been involved in investigating three data breaches.

VARIATIONS TO THE 2015/16 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.

2015/16 Audit Plan Variations

The following variations have been approved by the Director of CBSS since the last report to this committee in September 2015. They represent a net allocation of zero days from the audit contingency and do not affect the overall planned audit days.

Audit	Days	Reason For Variation
Additions / Increases to the Audit Plan		
Records Management	20	The recent ICO report has highlighted Records Management as an area that has not been audited recently and several recommendations related to it. We have therefore agreed to defer Freedom of Information to 2016-17 and audit Records Management in 2015-16.
	20	

Audit	Days	Reason For Variation
Deletions / Reductions from the Audit Plan		
Freedom of Information	20	The recent ICO report has highlighted Records Management as an area that has not been audited recently and several recommendations related to it. We have therefore agreed to defer Freedom of Information to 2016-17 and audit Records Management in 2015-16.
	20	

COUNTER FRAUD ACTIVITY 2015/16

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.

	2015/16 (Actual: 31/10/15)	2015/16 (Target: Full Yr)	2014/15 (Actual: Full Yr)
% 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).	41%	30%	43%
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£53,527	£100,000	£135,136
Amount of notional savings (estimated savings - e.g. housing tenancy fraud) identified through fraud investigation.	£403,100	£600,000	£612,700

Caseload figures for the period are:

	As at 31/10/15	As at 1/4/15
Awaiting allocation	42	40
Under investigation	151	171

Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	Investigation of matches arising from the National Fraud Initiative is still ongoing. Further matches were released in August and September. There are now a total of 2,540 recommended data matches relating to a number of council teams and services as well as 3,500 matches relating specifically to Single Person Discounts.
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"> • Housing fraud – working in conjunction with housing officers, 9 properties have been recovered thus far in 2015/16. In addition, 12 properties were prevented from being let where the prospective tenants had provided false information in their housing applications. <p>There are currently 39 ongoing investigations in this area.</p> <ul style="list-style-type: none"> • Internal fraud - the team has received 8 referrals for internal frauds in 2015/16. 4 cases are currently under investigation.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • External fraud – the team has received 3 referrals relating to fraud against the council that do not fit into other categories. The latest referral relate to theft and abuse of council recycling facilities. • Council Tax/Non Domestic Rates fraud – In January 2015, City of York Council alongside a number of other councils in the area successfully bid for DCLG funding in order to create the North Yorkshire Fraud Hub. Veritau are working with neighbouring authorities to gather information ahead of a data matching exercise. There are currently 31 investigations into Council Tax and Non Domestic Rates fraud. • Benefit fraud – Thus far in 2015/16 2 people has been prosecuted for benefit fraud offences and a further 11 have received formal sanctions (cautions and administrative penalties). Benefit claims have been corrected in 9 cases. On 1 March 2016 the council expects to lose its remit to investigate and prosecute Housing Benefit Fraud when this responsibility is transferred to the Department for Work and Pensions. Significant work is expected to remain with (and be created for) the authority and the fraud team is working with other teams and departments to prepare for this. • Social Care fraud – There are currently 17 ongoing investigations in this area. The fraud team is working closely with a number of departments and outside organisations to identify, detect and deter fraud in this area. The potential loss to the council for just 5 of these cases

Activity	Work completed or in progress
	<p>is over £200,000.</p> <ul style="list-style-type: none"> • Parking fraud – 11 cases of blue badge or other parking exemption fraud have been referred in 2015/16. Thus far one person has been prosecuted and 11 people have been issued formal written warnings. • Education verification – The fraud team is working with the schools team to investigate and deter false applications for school placements. So far in 2015/16 one false application has been blocked and one warning letter has been issued.



Audit & Governance**9 December 2015**

Report of the Director of Customer & Business Support Services

Scrutiny of Treasury Management Mid year Review and Prudential Indicators 2015/16**Summary**

1. The Audit & Governance Committee are responsible for ensuring effective scrutiny of the treasury management strategy and policies, as stated in the Treasury Management Strategy 2015/16 approved by full Council on 26 February 2015. The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance (“the Code”) stipulates that
 - There needs to be, at a minimum, a mid year review of treasury management strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved,
 - Those charged with governance are also personally responsible for ensuring they have the necessary skills and training
2. Attached at Annex A is the Treasury Management Mid Year Review and Prudential Indicators 2015/16 report. This information provides Members with an update of treasury management activity for the first six months of 2015/16.

Background

3. The report reviews the economic and market conditions in which the treasury management activities of the council are currently operating. It highlights that the environment in which treasury management operates in markets experiencing significant instability that presents both challenges and opportunities for the Council. The report outlines that prospects for any increase in Bank Rate before the middle of 2016 are limited.
4. The position of short term interest rates for investment opportunities continues to remain low and the counterparty list, where the council’s surplus funds can

be invested is limited. The limited counterparty list, to high credit rated institutions, ensures the security of the Council's capital and the types of investments used provide for the Council's liquidity requirements. The third priority being rate of return on investments remain at 0.5% with speculation of a base rate rise toward the middle of 2016. Further details on the Council's investments are included in Annex A paragraphs 10 to 17.

5. Borrowing rates have seen notable fluctuation through out the year reaching levels of 4.48% in the 50 year duration but dipping as low as 3.02%. In the reporting period covered by this report no loans have been taken. The treasury function continues to monitor the market closely looking for borrowing opportunities.
6. The information provided in the paragraphs above is a brief summary of the "Treasury Management Mid Year Review and Prudential Indicators 2015/16" report at Annex A for scrutiny by Audit & Governance Committee Members.

Consultation

7. Not applicable

Options

8. It is a statutory requirement under Local Government Act 2003 for the council to operate in accordance with the CIPFA prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice "the Code". No alternative options are available.

Council Plan

9. Treasury management is an integral part of the council's finances providing for cash flow management and financing of capital schemes. It aims to ensure that the council maximises its return on investments, (whilst the priority is for security of capital and liquidity of funds) and minimises the cost of its debts. This allows more resources to be freed up to invest in the Council's priority areas as set out in the council plan. It therefore underpins all of the council's aims.

Implications

10. The implications are

- Financial – the security of the Council’s capital funds is a priority, maximising returns on investments is still key along with minimising the finance costs of debt.
- Human Resources - there are no human resource implications to this report.
- Equalities - there are no equality implications to this report.
- Legal - there are no legal implications to this report.
- Crime and Disorder - there are no crime and disorder implications to this report.
- Information Technology - there are no information technology implications to this report.
- Property –there are no property implications to this report.
- Other – there are no other implications to this report.

Risk Management

11. The treasury management function is a high-risk area because of the volume and level of large money transactions. As a result of this the Local Government Act 2003 (as amended), the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice (the code) are all adhered to as required.

Recommendations

12. (a) Audit & Governance Committee note and scrutinise the Treasury Management Mid year Review and Prudential Indicators 2015/16 at Annex A

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

Contact Details

Author:

Debbie Mitchell
Corporate Finance & Commercial
Procurement Manager

Chief Officer responsible for the report:

Ian Floyd
Director of Customer & Business
Support Services

Report Date 30.11.15
approved

Specialist Implications Officer(s) None

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

For further information please contact the author of this report

Background Working Papers

None

Annexes

Annex A Treasury Management Mid Year Review and Prudential
Indicators 2015/16 – Report to Executive 26 November 2015
Annex Ai Annex to above report – Prudential Indicators 2015/16



Executive

26 November 2015

Report of the Director of Customer & Business Support Services

Treasury Management Mid Year Review and Prudential Indicators 2015/16

Purpose of the report

1. The Council is required through legislation to provide members with a mid year update on treasury management activities. This report provides an update on activity for the period 1 April 2015 to 31 October 2015.

Background

2. The Council's Treasury Management function is responsible for the effective management of the Council's investments, cash flows, banking, and money market transactions. It also considers the effective control of the risks associated with those activities and ensures optimum performance within those risk parameters.

Economic Background and Analysis

3. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country. The 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% year to year) though there was a rebound in quarter 2 to +0.7% (+2.4% year to year). Growth is expected to weaken to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme, although the pace of reductions was eased in the May Budget. Despite these headwinds, the Bank of England August Inflation Report had included a forecast for growth to remain around 2.4 to 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the

disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero over the last quarter. Investment expenditure is also expected to support growth. However, since the report was issued, the Purchasing Manager's Index, (PMI), for services on 5 October would indicate a further decline in the growth rate to only +0.3% in Q4, which would be the lowest rate since the end of 2012. In addition, worldwide economic statistics and UK consumer and business confidence have distinctly weakened so it would therefore not be a surprise if the next Inflation Report in November were to cut those forecasts in August.

4. The August Bank of England Inflation Report forecast was notably subdued in respect of inflation which was forecast to barely get back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.
5. There are therefore considerable risks around whether inflation will rise in the near future as strongly as had previously been expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as was being forecast until recently, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.
6. Capita Asset Services undertook its last review of interest rate forecasts in mid August after the Bank of England's Inflation Report. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and so caused PWLB rates to fall below the forecasts for quarter 4 2015. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, has compounded downward pressure on equity prices. This latest forecast includes an increase in Bank Rate in quarter 2 of 2016.

7. Table 1 is Capita's Asset Services Interest Rate forecast for both the bank rate and long term Public Works Loans Board borrowing rates (PWLB – the Debt Management Office subsidiary lending to Local Authorities at preferential rates note all figures are percentages):

	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18
Bank Rate	0.5	0.5	0.75	0.75	1.00	1.00	1.25	1.50	1.50	1.75	1.75
5 Yr PWLB rate	2.40	2.50	2.60	2.80	2.90	3.00	3.10	3.20	3.30	3.40	3.50
10 Yr PWLB rate	3.00	3.20	3.30	3.40	3.50	3.70	3.80	3.90	4.00	4.10	4.20
25 Yr PWLB rate	3.60	3.80	3.90	4.00	4.10	4.20	4.30	4.40	4.50	4.60	4.60
50 Yr PWLB rate	3.60	3.80	3.90	4.00	4.10	4.20	4.30	4.40	4.50	4.60	4.60

Table 1: Capita Asset Services Interest Rate Forecast (%)

Annual Investment Strategy

8. Treasury Management Strategy Statement (TMSS) for 2015/16 was approved by Council on 26 February 2015. There are no policy changes to the TMSS and the details in this report do not amend the TMSS. The Council's Annual Investment Strategy, which is incorporated in the Strategy, outlines the Council's investment priorities as follows:
- security of capital
 - liquidity
 - yield
9. The Council continues to aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity and the Council's risk appetite.

Investment Portfolio

10. Investment rates available in the market have continued at historical low levels. The average level of cash balances available for investment purposes in the 6 months of 2015/16 was £100.629m (£73.160m for the same 6 month period in 14/15). The level of cash balances available is largely dependent on the timing of the Council's cash flow as a result of precept payments, receipt of grants, receipt of

developers contributions, borrowing for capital purposes, payments to its suppliers of goods and services and spend progress on the Capital Programme. These funds are therefore only available on a temporary basis dependant on cash flow movement.

11. The average level of cash balances has increased compared to a year ago due to a number of factors. These include the receipt of developers contributions in advance of the associated profiled spend and receipt of funding from NHS England.
12. This increase allows the Council to use cash balances instead of taking long term debt to finance the Councils capital programme. This strategy remains a prudent one as investment rates continue to be lower than borrowing rates when viewed on a short term projection but consideration is being given to securing long term funding currently as long term rates are at attractive levels.
13. Investment return (calculated as the amount of interest earned against the average cash balance for the period) during the first six months of 2015/16 is shown in table 2:

	2014/15 (full year)	2015/16 (part year to date)
CYC Rate of return	0.52%	0.52%
<u>Benchmarks</u>		
Bank of England Base Rate	0.50	0.50
7 Day LIBID	0.35	0.38
1 Month LIBID	0.37	0.40

Table 2: CYCs investment rate of return performance vs. benchmarks

14. The average rate of return is broadly comparable to 2014/15 reflective of the continued uncertainty regarding the rate of growth in both the Eurozone and UK and the continued uncertainty over the Eurozone sovereign debt positions.
15. Figure 1 shows the interest rates available on the market between 7 days and 1 year and also the rate of return that the Council has achieved for the first six months of 2015/16. It shows that favourable

/ competitive interest rates have been obtained for investments whilst ensuring the required liquidity and security of funds for the Council.

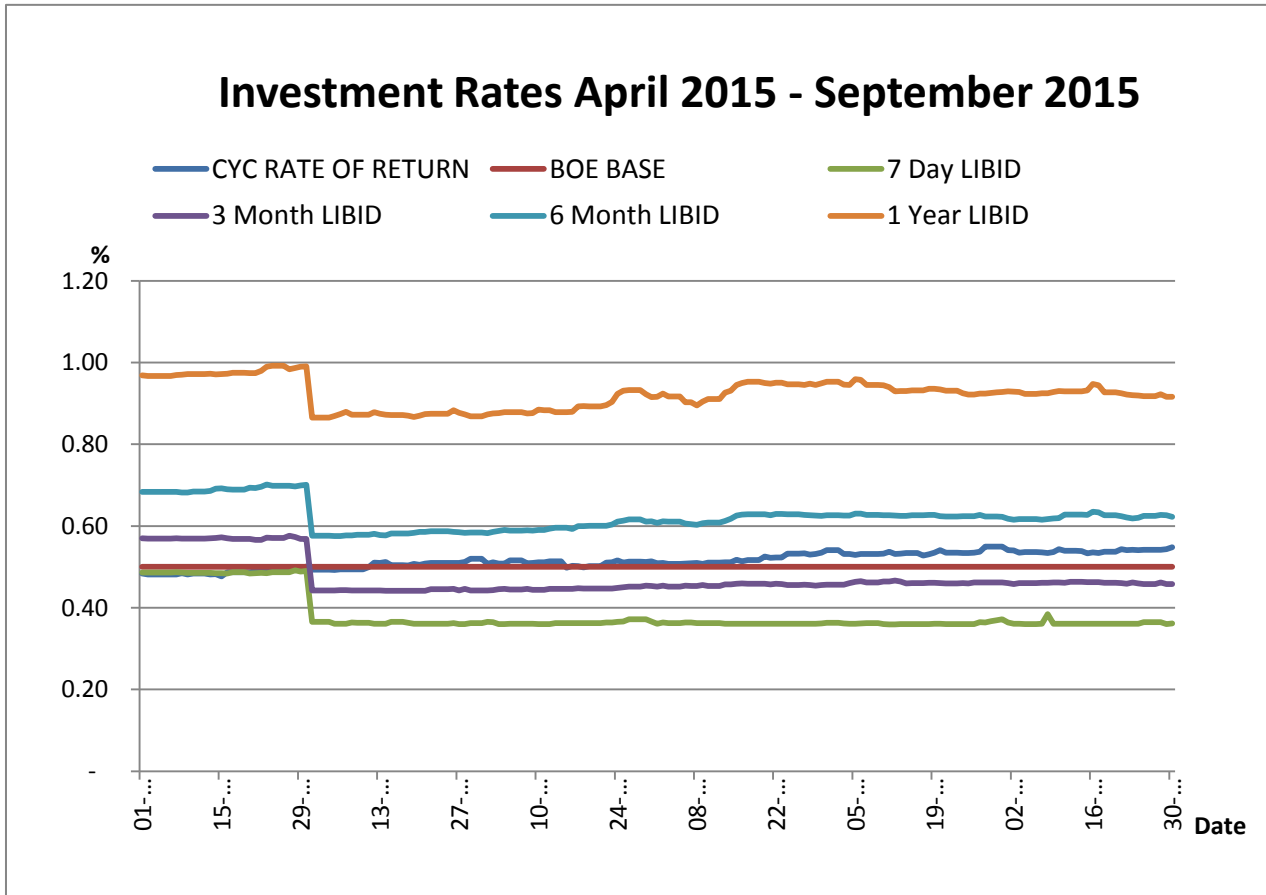


Figure 1 CYC Investments vs Money Market Rates

16. Figure 2 shows the investments portfolio split by deposits in short term call accounts, fixed term investments and money market funds (MMFs).
17. All of the MMFs have an AAA credit rating, the call accounts are all AA-, A+ or A rated and the fixed terms investments are A+ or A rated.

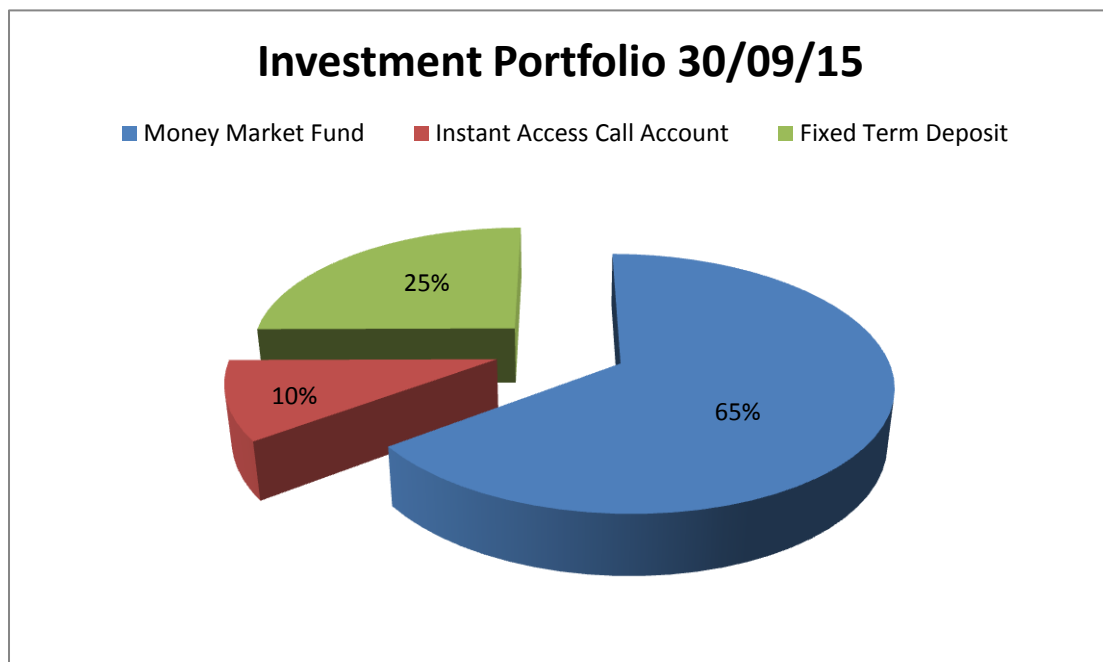


Figure 2 Investment Portfolio by type at 30th September 2015

Borrowing Portfolio

18. The Council undertakes long term borrowing in accordance with the investment requirements of the capital programme and all borrowing is therefore secured for the purpose of its asset base.
19. The level of borrowing taken by the Council is determined by the Capital Financing Requirement (the Councils underlying need to borrow for capital expenditure purposes). Borrowing needs to be affordable, sustainable and prudent.
20. Under regulation, the Council can borrow in advance of need in line with its future borrowing requirements in accordance with the Capital Financing Requirement. Markets are therefore constantly monitored and analysed to ensure that advantage is taken of favourable rates and the increased borrowing requirement is not as dependant on interest rates in any one year.
21. On the reverse side, the Council's level of borrowing can also be below the Capital Financing Requirement. This would mean that instead of increasing the Council's level of borrowing, surplus funds held for investment purposes would be utilised. In the current interest rate environment where investment rates on holding investments are significantly below borrowing rates consideration is given to the value of taking borrowing or whether it is better for the council to keep investment balances lower.

22. Although the treasury management function has not taken any new borrowing during 2015/16 it continues to closely monitor the borrowing environment for opportunities that arise and receives daily updates from Capita services in respect of borrowing timings and amounts.
23. The Council's long-term borrowing started the year at a level of £269.115m. The HRA amounts to 52% of the borrowing portfolio at £140.344m and the GF is 48% with borrowing at £128.771m, a current total of £269.115m.
24. Figure 3 illustrates the 2015/16 maturity profile of the Council's debt portfolio to 30th September 2015 split by general fund and HRA. The maturity profile shows that there is no large concentration of loan maturity in any one year, thereby spreading the interest rate risk dependency.

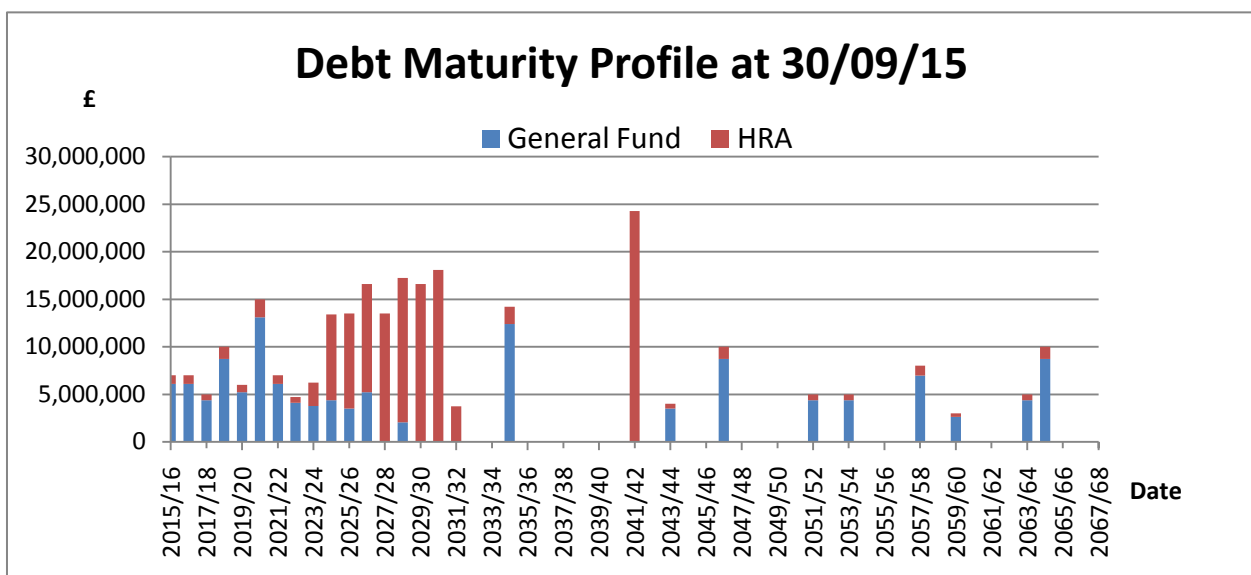


Figure 3 – Debt Maturity Profile 15/16 up to 30th September 2015

25. Table 3 shows that spreads have widened in the first 6 months of the year. The spread is above 1.00%, apart from 1 year duration. As a point of reference, for the same period last year the spread in similar periods was a maximum of 0.54%. Table 3 shows the variations in PWLB borrowing rates over the course of the year to date:

PWLB borrowing rates by duration of loan					
	1 Year	5 Year	10 Year	25 Year	50 Year
Yr High	1.69%	3.19%	3.91%	4.5%	4.48%

Yr Low	1.28%	1.97%	2.42%	3.06%	3.02%
Yr Avg	1.46%	2.58%	3.22%	3.82%	3.77%
Spread	0.41%	1.22%	1.49%	1.44%	1.46%

Table 3 – PWLB Borrowing Rates (%) – to 30th September 2015

Compliance with Prudential Indicators

26. The Prudential Indicators for 2015/16, included in the Treasury Management Strategy Statement are based on the requirements of the Council's capital programme and approved at Budget Council on 26 February 2015.
27. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits" included in the Prudential Indicators. The monitoring of the Prudential Indicators is attached at Annex A. During the financial year 2015/16 to date the Council has operated within the treasury limits and Prudential Indicators set out.

Consultation and Options

28. The report shows the six month position of the treasury management portfolio in 2015/16. The treasury management budget was set in light of the council's expenditure plans and the wider economic market conditions, based on advice from Capita. It is a statutory requirement to provide the information detailed in the report.

Council Plan

29. The treasury management function aims to achieve the optimum return on investments commensurate with the proper levels of security, and to minimise the interest payable by the Council on its debt structure. It thereby contributes to all Council Plan priorities.

Financial

30. The financial implications are in the body of the report.

Human Resources Implications

31. There are no HR implications as a result of this report.

Equalities

32. There are no equalities implications as a result of this report.

Legal Implications

33. Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

Crime and Disorder Implications

34. There are no crime and disorder implications as a result of this report.

Information Technology Implications

35. There are no IT implications as a result of this report.

Property Implications

36. There are no property implications as a result of this report.

Risk Management

37. The Treasury Management function is a high-risk area because of the level of large money transactions that take place. As a result of this there are procedures set out for day to day treasury management operations that aim to reduce the risk associated with high volume high value transactions. These are detailed in the Treasury Management Strategy Statement at the start of each financial year.

Recommendations

38. Members are required, in accordance with the Local Government Act 2003 (revised), to:

- Note the Treasury Management activities to date in 2015/16
- Note the Prudential Indicators set out at Annex A and note the compliance with all indicators.

Reason: to ensure the continued performance of the Council's Treasury Management function.

Contact Details

Authors:	Cabinet Member & Chief Officer Responsible for the report:		
Debbie Mitchell Corporate Finance Manager 01904 554161	Ian Floyd Director of Customer & Business Support Services		
Sarah Kirby Principal Accountant 01904 551635	Report Approved		Date
Wards Affected: All			
For further information please contact the author of the report			

Specialist Implications:
Legal – Not Applicable
Property – Not Applicable
Information Technology – Not Applicable

Annexes

Annex Ai – Prudential Indicators 2015/16

	Prudential Indicator		2015/16	2016/17	2017/18	2018/19	2019/20	
6b	<p>Operational Boundary for external debt The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.</p>	Borrowing Other long term liabilities Total	£347.7m £10.0m <u>£357.7m</u>	££347.7m £10.0m <u>£357.7m</u>	£347.7m £10m <u>£357.7m</u>	£347.7m £10.0m <u>£357.7m</u>	£347.7m £10.0m <u>£357.7m</u>	
7	Adoption of the CIPFA Code of Practice for Treasury Management in Public Services		✓					
8a	<p>Upper limit for fixed interest rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 5 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.</p>		117%	109%	109%	107%	107%	
8b	<p>Upper limit for variable rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 5 years. The Council should not be overly exposed to fluctuations in interest rates which can have an</p>		-17%	-9%	-9%	-7%	-7%	

	Prudential Indicator		2015/16	2016/17	2017/18	2018/19	2019/20	
	adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.							
9	<p>Upper limit for total principal sums invested for over 364 days</p> <p>The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.</p>		£0	£0	£0	£0	£0	£0
10	<p>Maturity structure of new fixed rate borrowing</p> <p>To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long-term loans mature in different periods thus spreading the risk.</p>	Maturity profile of debt against approved limits	Maturity Profile	Debt (£)	Debt (£)	Approved Minimum Limit	Approved Maximum Limit	
			Less than 1 yr	£12.0m	4%	0%	30%	
			1 to 2 yrs	£5.0m	2%	0%	30%	
			2 to 5 yrs	£28.0m	10%	0%	40%	
			5 to 10 yrs	£39.3m	15%	0%	40%	
			10 yrs and above	£184.8m	69%	30%	90%	
			Total	£269.1m	100%	-	-	



Audit & Governance**9 December 2015**

Report of the Director of Customer & Business Support Services

Pension Investment in fossil fuels**Purpose of report**

1. At its meeting on 8th October 2105 Council agreed a motion that required a report to Audit & Governance setting out the details of York's current direct and indirect investments in fossil fuels including current investment by North Yorkshire Pension Fund (around 7% of total according to 350.org) and giving a range of options for action on both direct and indirect investments, including an option to commit to no future investment and proposals for a process of total divestment and proposals to initiate similar discussions about their Pension Fund Policies & Strategies with the Pension Fund Committee (PFC) of the North Yorkshire Pension Fund.

Background

2. North Yorkshire County Council (NYCC, the Council) is the statutory administering authority for the North Yorkshire Pension Fund, which is part of the Local Government Pension Scheme (LGPS). All aspects of the Fund's management and administration, including investment matters, are overseen by the Pension Fund Committee (PFC). The Leader of City of York Council is a member of this committee.
3. The purpose of the Fund is to provide retirement benefits specified by the LGPS regulations for staff working for local authority employers, and other employers admitted by agreement, in the North Yorkshire area. The regulations also specify the member contribution rates as a percentage of pensionable pay, with employer contribution rates being set every three years by the Fund's Actuary. These contributions are supplemented by earnings on the Fund's investments in order to pay retirement benefits.
4. The day to day running of the Fund is delegated to the Treasurer who is the Corporate Director – Strategic Resources of the Council and is responsible for implementing the decisions made by the PFC. Supporting him is a team of

staff split into two sections. The Pensions Administration team administers all aspects of member records, pension benefits etc and the Integrated Finance team looks after the accounting and management information requirements of the Fund. All aspects of the day to day management of investment funds are undertaken by external fund managers

5. During the year the PFC meet, supported by its Independent Investment Adviser, Investment Consultant and the Independent Professional Observer, as well as the Treasurer. The Committee meetings provide a forum for discussion about economic and market trends, monitoring the performance of the investment managers and considering their individual investment strategies.
6. The government has published guidance for pooling Local Government Pension Scheme Fund assets into up to 6 British Wealth Funds, containing at least £25 billion of Scheme assets each. The government is now inviting administering authorities to come forward with their proposals for new pooled structures in line with the guidance to significantly reduce costs while maintaining overall investment performance, with the wider ambition of matching the infrastructure investment levels of the top global pension funds.

Analysis

7. NYCC is required, as the administering authority, to invest any NYPF monies which are not immediately required to pay pensions and other benefits. The LGPS Management and Investment of Funds Regulations 2009 set out certain restrictions as to individual investments, the purpose of which is to limit the exposure risk of an LGPS fund.
8. As at 31 March 2015 the following investment management arrangements were in place.
 - Baillie Gifford managed two active global (ie including UK) equity portfolios, namely Global Alpha and Long Term Global Growth (LTGG). Each of these portfolios is in the form of a pooled vehicle, rather than being invested in segregated holdings. Both are managed without reference to a benchmark, however the FTSE All World index is used for performance measurement purposes
 - Fidelity managed an active overseas equities (ex UK) portfolio comprising segregated holdings in overseas companies against a composite MSCI World (ex UK) index

- Standard Life managed an active UK equity portfolio comprising segregated holdings in UK companies against the FTSE 350 (excluding investment trusts) equally weighted index
 - Amundi managed an active global fixed income portfolio through a pooled fund, against the “least risk” benchmark of index linked and fixed interest gilts
 - ECM managed an active European corporate bond portfolio through a pooled fund on an absolute return basis, using 1-month LIBOR for performance measurement purposes
 - M&G managed an active Gilts portfolio comprising segregated fixed income and index linked holdings, against the “least risk” benchmark
 - Hermes managed an active UK Property portfolio through a pooled fund with the objective of outperforming the retail price index (RPI)
 - Threadneedle and Legal & General both managed active UK Property portfolios during the year through pooled funds with the objective of outperforming RPI
 - Standard Life and Newton both managed Diversified Growth Fund portfolios during the year through the Global Absolute Return Strategy (GARS) and Real Return (RR) pooled funds respectively, with the objectives of significantly outperforming the cash benchmark
9. The Fund also has a small investment in the Yorkshire & Humber Equity Fund. The residual cost of this investment at the year end was £0.08m.
10. The nature of the investments market, particularly the equity portfolios, means that it is difficult to clearly identify exactly where funds are ultimately invested. As an example, as at March 2015 14.9% of the NYPF was invested with Standard Life equity funds. The table below sets out the different sectors invested in by the Standard Life Equity Fund. This fund totals £2,094.5m as at 30/9/15.

Sector	% of equity fund
Financials	19.5
Industrials	14.5
Oil & Gas	9.2
Telecommunications	7.3
Utilities	4.0
Cash and Other	1.6
Consumer Services	14.9
Consumer Goods	12.9

Health Care	7.6
Basic Materials	5.2
Technology	3.3

11. The Council is not able to influence how and where these funds invest. They can only, through attendance at the Pension Committee, influence the investment strategy of NYPF. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 require administering authorities to prepare a statement recording the investment policy of the Fund. The main areas covered by the statement are:
- Investment decision making process
 - Types of investments to be held
 - Balance between different types of investments
 - Risk
 - Expected return on assets
 - Realisation of investments
 - Socially responsible investments
 - Shareholder governance
 - Stock lending
 - Compliance with guidance from the Secretary of State
12. Furthermore, the government has recently published guidance for pooling Local Government Pension Scheme Fund assets into up to 6 British Wealth Funds, containing at least £25 billion of Scheme assets each. The government is now inviting administering authorities to come forward with their proposals for new pooled structures in line with the guidance to significantly reduce costs while maintaining overall investment performance, with the wider ambition of matching the infrastructure investment levels of the top global pension funds. In the light of this potentially significant change, it is considered unlikely that the PFC will consider a substantial change in the direction of the fund investment policy at this time.

Consultation

13. It is important to note that the NYPF is for the benefit of staff members who contribute to the scheme. Therefore, any recommendation which could see reduced performance of the fund should be consulted upon with all staff.

Implications

14. The implications are
- Financial – any decision to change the investment policy of the NYPF could result in a reduced return, which could in turn lead to increased contributions from the Council to make up any deficit.
 - Human Resources - there are no human resource implications to this report.
 - Equalities – there are no equality implications to this report.
 - Legal – pension fund investment managers are legally required to maximise returns for staff who contribute to the pension scheme. Any change in investment policy will need to be consulted upon with members of the scheme and formally agreed by the Pension Committee
 - Crime and Disorder - there are no crime and disorder implications to this report.
 - Information Technology - there are no information technology implications to this report.
 - Property –there are no property implications to this report.
 - Other – there are no other implications to this report.

Risk Management

15. Risk management is the process by which the Fund identifies and addresses the risks associated with its activities. Risk management is a key part of the North Yorkshire Pension Fund's governance arrangements, and the Pension Fund has its own dedicated risk register. Risks are identified and assessed, and controls are in place to mitigate risks. The Fund's risk register is reviewed every year, and the latest review highlighted:
- Pension Fund solvency remains a high risk due to the unpredictable and volatile nature of global financial markets on which both investment returns and certain market based actuarial assumptions used to value liabilities are based. The potential consequence of the risk occurring is a significant increase in contribution rates for the Fund's employers and/or an extension to the deficit recovery period. Despite a fall in solvency over the last year due to falling Gilt yields, the Fund investment strategy has continued to provide strong returns. No remedial action is presently required in order to deliver the deficit recovery plan.
 - The investment strategy has moved from a red to an amber risk, reflecting the low probability (under 30%) that it will fail to deliver adequate returns. The Fund's strong performance in every year since the financial crisis and

the diversification through the addition of new asset classes and managers are key reasons for this.

Recommendations

16. Members are asked to note the contents of the report and suggest any further areas they wish to see considered.

Reason: To ensure that the Council motion of 8 October 2015 is actioned.

Contact Details

Author:

Debbie Mitchell
Corporate Finance & Commercial
Procurement Manager

Chief Officer responsible for the report:

Ian Floyd
Director of Customer & Business
Support Services

Report approved Date 30.11.15

Specialist Implications Officer(s) None

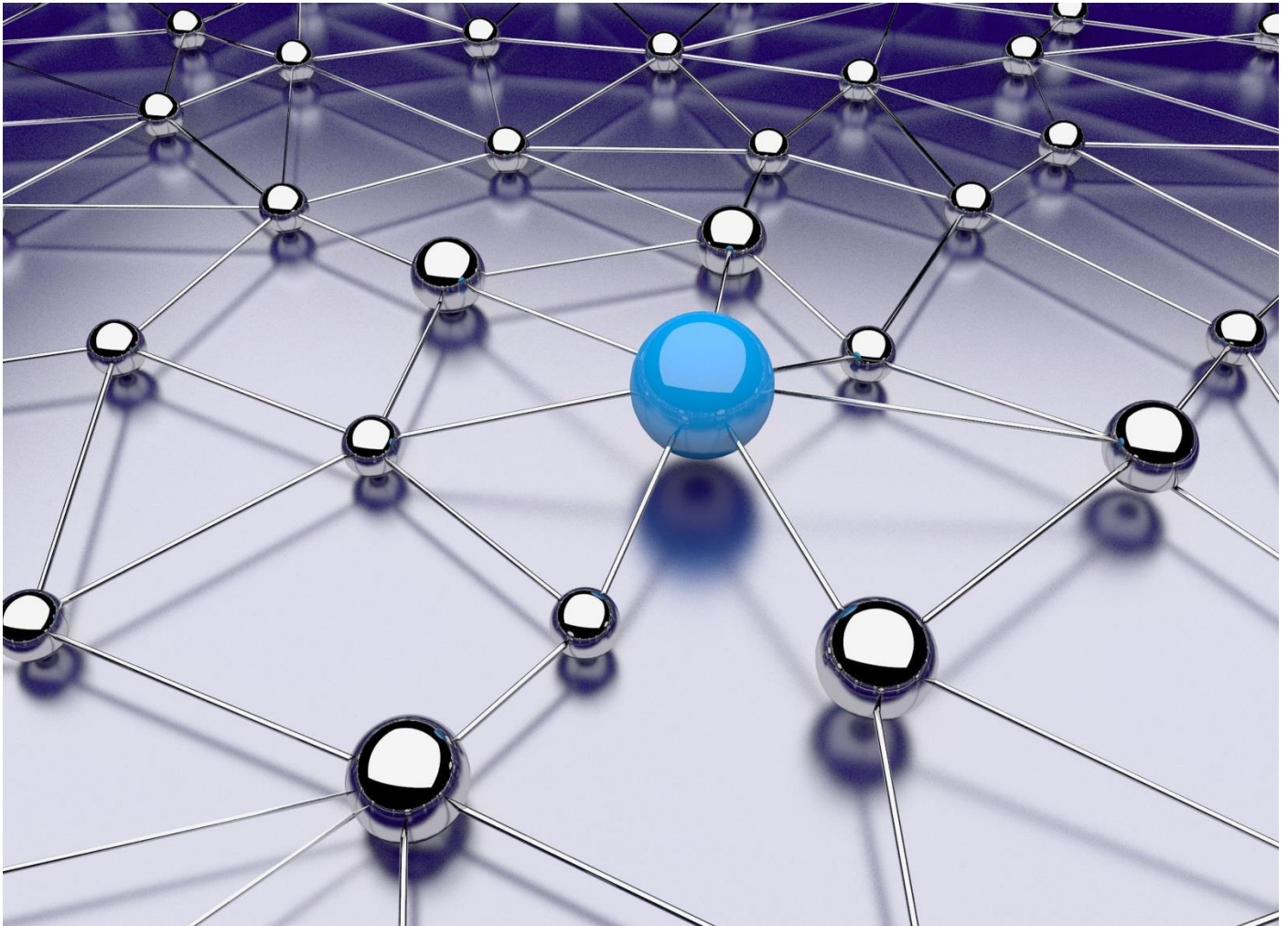
Wards Affected: *List wards or tick box to indicate all* **All**

For further information please contact the author of this report

Background Working Papers

None

City of York Council Audit Progress Report December 2015



Contents

01 Introduction.....	2
02 Summary of audit progress	3
03 National publications and other updates.....	5
04 Contact details.....	10

Our reports are prepared in the context of the Public Sector Audit Appointment Limited's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to City of York Council, its Members, Directors or officers are prepared for the sole use of the audited body and we take no responsibility to any Member, Director or officer in their individual capacity or to any third party.

01 Introduction

The purpose of this report is to update the Audit and Governance Committee of City of York Council (the Council) on progress in delivering our responsibilities as your external auditors.

We have also highlighted key emerging national issues and developments which may be of interest to Committee Members.

If you require any additional information, please contact us using the details at the end of this update.

02 Summary of audit progress

Position on the 2014/15 audit

When we presented our Audit Completion Report for the 2014/15 audit to the Audit and Governance Committee on 23 September 2015, we indicated that we expected to issue an unqualified opinion, Value for Money (VFM) conclusion and audit certificate on 30 September 2015.

Between this meeting and our planned sign off date we were made aware of payments by City of York Trading Ltd to two of the company's executive directors who were also officers of the Council.

On 30 September 2015, we issued an unqualified audit opinion and an unqualified VFM conclusion, but we did not issue a certificate to close the 2014/15 audit. We explained why we had not formally concluded the 2014/15 audit in our audit report which is included in the statement of accounts on the Council's website.

"The audit cannot be formally concluded and an audit certificate issued until we have completed our consideration of matters brought to our attention shortly before the date of this audit report. We are satisfied that these matters do not have a material effect on the financial statements."

The matters we needed to consider were the governance arrangements relevant to our audit of the Council covering the payments by City of York Trading Ltd to two of the company's executive directors who were also officers of the Council.

We have concluded our review of the relevant issues and drafted our report. We are now going through a process of consultation with those who could be affected by our conclusions and recommendations and those whose comments we have referred to in our report. The deadline for comments in response to this consultation is 10 December 2015 and we shall then complete whatever work is necessary in the light of the comments received and issue our report as soon as practicably possible.

We reported to the National Audit Office (NAO) on 2 October 2015 that the Council's 2014/15 Whole of Government Accounts consolidation pack was consistent with the audited financial statements.

We discussed our annual audit letter with senior management and it was finalised by the deadline of 30 October 2015. This summarises our work and findings for the 2014/15 audit as well as outlining future challenges. We will be presenting the letter to the Audit and Governance Committee as a separate agenda item.

Certification of claims and returns

Work on the 2014/15 Housing Benefits Subsidy Claim is complete, and we certified the claim before the Department of Work and Pensions deadline of 30 November 2014. There were no reporting issues or amendments to the claim arising from our work.

This is now the only claim remaining part of the national arrangements managed by Public Sector Audit Appointments Ltd (PSAA), successor to the Audit Commission.

Additional schemes outside the national arrangements

The Council is required by funding bodies to arrange independent certification of certain grant claims and returns that are now outside the PSAA regime.

As reported in the annual audit letter, we made arrangements for the certification of the Teachers' Pension Return for 2014/15, for an agreed fee of £2,750 plus VAT.

The work on the Teachers' Pensions return has now been completed and reported ahead of the deadline of 30 November 2015. There were no issues arising from this work.

As reported in the annual audit letter, there were two further areas of non-audit work where we had been asked to carry out work, but at that point the fees had not yet been agreed. We can now confirm that the fees for this work have been formally agreed:

- the pooling of housing capital receipts return for 2014/15, agreed fee £1,800 + VAT; and
- work in relation to a Housing and Communities Agency (HCA) grant, agreed fee £1,800 + VAT.

The work on these two returns has been completed.

At the time of writing, we have been unable to submit the audited pooling of housing capital receipts return because of a national issue with the LOGASNET website established by the Department for Communities and Local Government (DCLG) for this purpose. We will submit this as soon as DCLG inform us that the technical problems have been resolved. There were no issues arising from this work that required reporting.

We have reported to the HCA on relatively minor matters in relation to its grant. This was the first time the Council has submitted to us an HCA claim for audit, and the supporting evidence was well presented and in good order.

This work will be recorded as non-audit work as part of the 2014/15 audit.

2015/16 planning

This is our first progress report in respect of the 2015/16 audit year; in the coming quarter we will:

- carry out our initial planning in respect of 2015/16, refreshing our understanding of the business and what we consider are the significant risks of material misstatement in respect of the financial statements and also the Value for Money (VfM) conclusion so as to inform our testing strategy;
- walkthrough the key financial systems;
- liaise with your internal auditors to both share common knowledge and ensure no duplication;
- maintain on-going liaison with senior officers and consideration of key agendas and papers; and
- plan and carry out any interim substantive testing.

Our detailed Audit Strategy Memorandum will set out our planned work and assessments in more detail and we will present the plan to the Audit and Governance Committee meeting on 13 April 2016.

03 National publications and other updates

This section contains updates on the following:

1. **Annual Regulatory Compliance and Quality Report, PSAA, June 2015**
2. **Regulatory Compliance and Quality Report, Quarter 1 2015/16**
3. **Whistleblowing e-learning for the public sector**
4. **Consultation on regulation of auditors, Financial Reporting Council, May 2015**
5. **Statement of Responsibilities of Auditors and Audited Bodies, Public Sector Audit Appointments Limited**
6. **Consultation on 2016/17 work programme and scales of fees, Public Sector Audit Appointments Ltd October 2015**
7. **Extension of existing external audit contracts by one year**
8. **A Practical Guide for Local Authorities on Income Generation, 2015 edition CIPFA, November 2015**
9. **Social Value: defining, delivering, reporting CIPFA, November 2015**

1. Annual Regulatory Compliance and Quality Report, PSAA, June 2015

Public Sector Audit Appointments Limited (PSAA) monitors the performance of all its audit firms. The results of monitoring provide audited bodies and other stakeholders with assurance that auditors within our regime are delivering high-quality audits.

There are two strands to their monitoring:

- audit quality – applying our annual quality review programme (QRP) to the audit work undertaken for the year ending 2013/14; and
- regulatory compliance – reporting quarterly on audit firms' compliance with our 2014/15 regulatory requirements as set out in the Terms of Appointment.

The audit quality and regulatory compliance monitoring for 2014/15 incorporated a range of measurements and checks comprising:

- a review of each firm's latest published annual transparency reports;
- the results of reviewing a sample of each firm's audit quality monitoring reviews (QMRs) of its financial statements, Value for Money (VFM) conclusions and Whole of Government Accounts (WGA).
- an assessment as to whether they could rely on the results of each firm's systems for quality control and monitoring;
- a review of the Financial Reporting Council's (FRC) published report on the results of its inspection of firm audits in the private sector;
- the results of inspection of each firm by the FRC's Audit Quality Review team (AQR) as part of our commissioned rolling inspection programme of financial statements and VFM work;
- the results of each firm's compliance with 17 key indicators relating to Terms of Appointment requirements;

- a review of each firms' systems to ensure they comply with regulatory requirements; and
- a review of each firm's client satisfaction surveys for 2013/14 work.

The report summarising the results of our monitoring work for Mazars LLP is available on the PSAA website. <http://www.psa.co.uk/wp-content/uploads/2015/07/Mazars-2014-15-Annual-Regulatory-Compliance-and-Quality-Report-Final.pdf>

The firm is meeting standards for overall audit quality and regulatory compliance requirements. The red, amber, green (RAG) indicator for overall audit quality and regulatory compliance was calculated using the principles detailed in Appendices 1 and 2 to the report. For 2014/15, Mazars' combined audit quality and regulatory compliance rating was **green** (the highest available).

2015 Comparative performance for audit quality and regulatory compliance

BDO	Deloitte	EY	GT	KPMG	Mazars	PwC
Amber	Amber	Green	Amber	Amber	Green	Amber

The firm has maintained its performance against the regulatory compliance indicators since last year, with all of the 2014/15 indicators scored as green. The satisfaction survey results show that audited bodies are satisfied with the performance of Mazars as their auditor.

2. Regulatory Compliance and Quality Report, Quarter 1 2015-16

This report summarises the performance of Mazars LLP (Mazars) against key quarterly performance indicators for the first quarter of 2015/16 and is available on the PSAA website <http://www.psa.co.uk/wp-content/uploads/2015/07/Mazars-Q1-2015-16-monitoring-report.pdf>

Mazars is rated **green** in all areas. The all firm comparison is also provided.

3. Whistleblowing e-learning for the public sector

The CIPFA Counter Fraud Centre has worked with the leading whistleblowing charity, Public Concern at Work (PCaW) and Mazars to create an accessible, easy to navigate e-learning course on whistleblowing.

The whistleblowing course is designed for use in organisations, to show all staff how to raise and report concerns at work and to clarify 'grey areas' around processes, complaints and definitions.

Featuring high profile examples plus sector specific case studies, the course aims to help staff to understand:

- what whistleblowing is and is not
- the arrangements you have in place
- how best to blow the whistle/raise concerns
- where staff can blow the whistle/raise concerns
- what staff can expect and how their organisation will support them
- rights and options for support
- why whistleblowing is so important.

4. Consultation on regulation of auditors, Financial Reporting Council, May 2015

In July 2014, the Financial Reporting Council (FRC) issued a consultation document seeking views on the way in which it should give effect to three specific responsibilities delegated to it under the Local Audit and Accountability Act 2014, that is:

- guidance on the recognition of individuals as key audit partners;
- regulations for the keeping of the Register of Local Auditors;
- regulations for local audit firms on the requirement to publish transparency reports.

The FRC has now published a feedback statement to this consultation together with the Guidance and Regulations as per the link below.

<https://www.frc.org.uk/News-and-Events/FRC-Press/Press/2015/May/FRC-publishes-feedback-statement-on-the-Regulation.aspx>

The areas consulted on included:

- transparency report requirements;
- register of local auditor requirements; and
- approval of engagement leads for local audits.

5. Statement of Responsibilities of Auditors and Audited Bodies, Public Sector Audit Appointments Limited

This statement serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and of the audited body begin and end, and what is to be expected of the audited body in certain areas. It replaces the previous statement issued by the Audit Commission and applies to 2015/16 audit engagements.

The responsibilities of auditors are derived from statute, principally the Local Audit and Accountability Act 2014 and from the Code of Audit Practice, now produced by the National Audit Office (NAO). Nothing in the Statement is intended to limit or extend those responsibilities. In particular, audited bodies should note that, because auditors must not prejudice their independence, the role of the appointed auditor does not include providing financial or legal advice or consultancy services to the audited body.

The statement covers the following areas:

- responsibilities in relation to the financial statements;
- responsibilities in relation to arrangements for securing economy, efficiency and effectiveness in the use of resources (the VfM conclusion);
- specific powers and duties of auditors (public interest report, referral to Secretary of State);
- reporting the results of audit work;
- ad hoc requests for auditors' views; and
- access to information, data security and confidentiality.

http://www.psa.co.uk/wp-content/uploads/2006/08/Statement-of-responsibilities-of-auditors-and-audited-bodies-2015_16.pdf

Code of Audit Practice applying to 2015/2016 audits

As a reminder, earlier in 2015/16, the NAO published the new Code of Practice applying to 2015/2016 audits. The Code prescribes the way local auditors are to carry out their functions and is supplemented by guidance issued by the NAO during the year.

<https://www.nao.org.uk/code-audit-practice/>

6. Consultation on 2016/17 work programme and scales of fees, Public Sector Audit Appointments Ltd October 2015

Public Sector Audit Appointments Ltd (PSAA) has published its consultation on the 2016/17 proposed work programme and scales of fees.

There are no planned changes to the overall work programme for 2016/17. It is proposed scale fees are set at the same level as the scale fees applicable for 2015/16 previously set by the Audit Commission. The Commission reduced scale fees from 2015/16 by 25 per cent, in addition to the reduction of up to 40 per cent made from 2012/13.

Following completion of the Audit Commission's 2014/15 accounts, PSAA has received a payment in respect of the Audit Commission's retained earnings. PSAA will redistribute this and any other surpluses from audit fees to audited bodies.

The work that auditors will carry out on the 2016/17 accounts will be completed based on the requirements set out in the Local Audit and Accountability Act 2014 and under the Code of Audit Practice published by the National Audit Office.

The consultation closes on Friday 15 January 2016. PSAA will publish the final work programme and scales of fees for 2016/17 in March 2016.

<http://www.psaa.co.uk/audit-and-certification-fees/consultation-on-201617-proposed-fee-scales/>

7. Extension of existing external audit contracts by one year

The current local government audit contracts with audit firms end with completion of the audit of the accounts for 2016/17, with an option to extend contracts after this date. The Government has taken a decision to extend local authority contracts by one year to cover the 2017/18 audit, the first year in which the accounts and audit deadline is to be brought forward significantly. From the 2018/19 audit, local authorities, including City of York Council, will be required to make their own auditor appointments. The auditor for 2018/19 must be appointed by 31 December 2017. CIPFA is preparing guidance for local authorities on appointing auditors.

8. A Practical Guide for Local Authorities on Income Generation, 2015 edition CIPFA, November 2015

CIPFA has published its latest practical guide on income generation. Income from fees and charges is a key financial area for local authorities, and much has happened since CIPFA published the last edition of this guide in 2013. In 2015 local authorities will look at income in its widest sense as a key factor in their funding equation. Financial uncertainties continue to motivate local authorities to evaluate every possible funding source.

9. Social Value: defining, delivering, reporting CIPFA, November 2015

This CIPFA publication looks at social value and its practical application and assessment. It covers:

- the legislation and related guidance;
- how this links to guidance on best value;
- the range of definitions of social value;
- how social value relates to outcomes commissioning;
- examples of how social value is being interpreted by local authorities; and
- approaches to measuring social value.

04 Contact details

Please let us know if you would like further information on any items in this report.

www.mazars.co.uk

Gareth Davies
Partner
0191 383 6300

gareth.davies@mazars.co.uk

Gavin Barker
Senior Manager
0191 383 6300

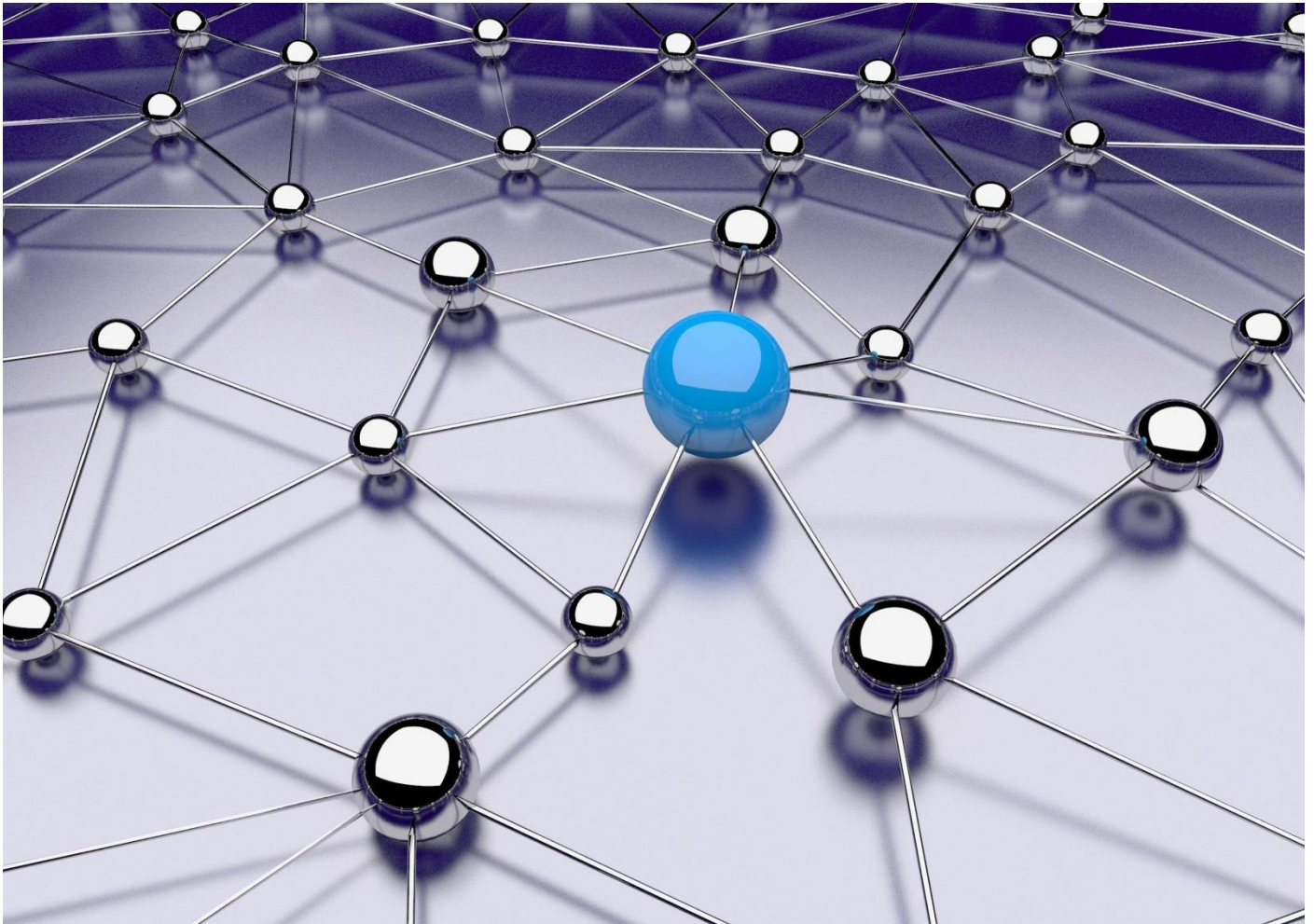
gavin.barker@mazars.co.uk

Address: Rivergreen Centre,
Aykley Heads,
Durham,
DH1 5TS.

This page is intentionally left blank

Annual Audit Letter 2014/15

City of York Council



October 2015

Mazars LLP
Rivergreen Centre
Aykley Heads
Durham
DH1 5TS

Members
City of York Council
West Offices
Station Rise
York
YO1 6GA

30 October 2015

Dear Members

City of York Council - Annual Audit Letter 2015

I am pleased to present our Annual Audit Letter. The purpose of this document is to summarise the outcome of the audit of the Council's 2014/15 annual accounts and our work on our value for money conclusion.

We carried out the audit in accordance with the Code of Audit Practice for Local Government bodies as issued by the Audit Commission and delivered all expected outputs in line with the timetable established by the Accounts and Audit Regulations 2011 and the National Audit Office.

2014/2015 has been another challenging year for the Council, requiring further difficult decisions on spending priorities and plans for the future. We reflect on these matters in the value for money and future challenges sections of this letter.

We issued an unqualified opinion on the statement of accounts and an unqualified value for money conclusion.

I would like to express my thanks for the assistance of the Council's finance team, as well as senior officers and the Audit and Governance Committee. The continued constructive approach to our audit is appreciated.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 0191 383 6300.

Yours faithfully

Gareth Davies
Partner
Mazars LLP

Contents

01 Key messages	2
02 Financial statements.....	4
03 VFM conclusion.....	6
04 Future challenges	15
05 Fees.....	16

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.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales

01 Key messages

Our Annual Audit Letter provides a summary of our work and findings for the 2014/15 audit period for Members and other interested parties.

In 2014/15 our audit of the Council included the following main elements:

- auditing your financial statements; and
- assessing arrangements for achieving value for money (VFM) in your use of resources.

We reported the detailed findings from our audit work to the Audit and Governance Committee in our Audit Completion Report on 23 September 2015.

The key conclusions for each element are summarised below.

Our audit of the statement of accounts

We issued an audit report including an unqualified opinion on the Council's financial statements on 30 September 2015.

Our VFM conclusion

We carried out sufficient, relevant work, in line with the Audit Commission's guidance, so that we could conclude on whether you had in place, for 2014/15, proper arrangements to secure economy, efficiency and effectiveness in your use of resources.

We were required to consider two specified criteria:

- the Council has proper arrangements in place for securing financial resilience; and
- the Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified VFM conclusion on 30 September 2015.

Whole of Government Accounts

We provide assurance to the National Audit Office (NAO), as the auditor of central government departments, in relation to the consistency of your WGA consolidation pack with the audited statement of accounts. We reported that your consolidation pack was consistent with the audited statement of accounts on 2 October 2015.

Delay in the issue of the audit certificate

The 2014/15 audit has not yet been formally concluded as explained in our audit report issued on 30 September 2015 and included in the statement of accounts on the Council's website.

"The audit cannot be formally concluded and an audit certificate issued until we have completed our consideration of matters brought to our attention shortly before the date of this audit report. We are satisfied that these matters do not have a material effect on the financial statements."

The matter we are reviewing is the governance arrangements relevant to our audit of the Council covering the payments by City of York Trading Limited to two of the company's executive directors who were also officers of the Council.

We expect to report our conclusions in relation to this issue to the Audit and Governance Committee on 9 December 2015.

Our other responsibilities

As the Council's appointed external auditor, we have other powers and responsibilities as set out in the Audit Commission Act 1998. These include responding to questions on the accounts raised by local electors as well as a number of reporting powers such as reporting in the public interest. We did not receive any valid objections from local electors in relation to your 2014/15 accounts. At the point of preparing this letter, we have not exercised our wider reporting powers.

02 Financial statements

Audit of the financial statements

We audited your financial statements in line with auditing standards and we reported our detailed findings to the meeting of the Audit and Governance Committee on 23 September 2015. We issued an audit report, including an unqualified opinion, on the statement of accounts on 30 September 2015.

Preparation of the accounts

The Council presented us with draft accounts in accordance with the national deadline. The production of the statement of accounts is a significant technical challenge involving a great deal of work by the Council's officers. We appreciate the cooperation of management and the patience, courtesy and assistance shown to us in the completion of our work. The working papers supporting the statement of accounts were of good quality and officers were responsive in following up the queries we raised.

Issues arising from the audit of the accounts

We highlight the following key points:

- good quality draft statements and working papers;
- only very few errors requiring adjustment in the financial statements;
- a small number of unadjusted errors that were not material;
- no errors impacting on the Council's general fund balance or earmarked reserves; and
- one issue relating to the bank reconciliation which needs to be addressed in the current financial year.

Follow up in relation to the bank reconciliation

In last year's audit, we reported on the complexity of the Council's bank reconciliation process and identified that the trail between these reconciliations and the actual year end cash position reflected in the statement of accounts could be improved. We recommended that further work be done to achieve this.

Officers have continued to address these issues, which arose from historic matching issues between the bank and the Council's financial ledger and separate bank reconciliation system.

We are pleased to report that the position has improved considerably in relation to the bank reconciliation at 31 March 2015 which is reflected in the 2014/15 financial statements. The work undertaken by officers has significantly reduced the number and value of adjustments required to carry out the year end bank reconciliation and consequently, the trail between the reconciliations and the accounts has been significantly improved.

Although the situation has improved, it is now clearer that there remains a net non-material discrepancy of £219k between the bank account and the financial ledger which cannot be fully explained by officers at present.

Conclusions

Until all of the discrepancies (£715k gross credits and £496k gross debits, making a net difference of a £219k credit) are identified and corrected, there remains a risk that this position could mask further unidentified errors, although they are unlikely to have a significant net impact.

Although the values are not material, we have reported the differences because the bank reconciliation is a fundamental element of the system of internal control.

Recommendation

We recommend that further work is undertaken to resolve the remaining differences in the bank reconciliation, so that a fully balanced position can be reflected in the 2015/16 financial statements.

Management response

The differences set out above relate to mismatches between the internal systems for bank reconciliation and the financial management system. At the time of writing, they have not all been resolved and officers continue to work on them. We expect all the issues to be fully resolved in the current financial year and they have no significant impact on the Council's financial position.

The Council has confidence that the bank reconciliation process and checks continue to provide a robust and transparent control mechanism ensuring that banking transactions are correctly identified, issued raised and matters resolved in a timely manner. Checks and balancing exercises take place on a daily basis with reconciliations taking place typically on a monthly basis following audit completion.

03 VFM conclusion

We performed our work in line with the Audit Commission's Code of Audit Practice for Local Government bodies and the guidance on the VFM conclusion for 2014/15.

Our work in this area focused on the two criteria specified by the Audit Commission namely:

Criteria	Focus of the criteria
The Council has proper arrangements in place for securing financial resilience.	The Council has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.
The Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness.	The Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

As part of our work, we also:

- review your Annual Governance Statement;
- review the work of other relevant regulatory bodies or inspectorates to the extent the results of the work have an impact on our responsibilities; and
- carry out any risk-based work we determine to be appropriate.

We are not required to consider, nor have we, all aspects of the Council's arrangements. We adopt a risk based approach, designed to identify any significant issues that might exist.

We report if significant matters come to our attention which prevent us from concluding that the Council has put in place proper arrangements.

Focus for this year's work

In the Audit Strategy Memorandum we identified two significant risks relevant to the value for money conclusion. We carried out work to address these risk areas.

One of the significant risks was to follow up last year's qualification of the VFM conclusion. The conclusion for the 2013/14 audit was that in all significant respects City of York Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources with one exception. The exception to this was that there were weaknesses in budgetary control and financial management in Adult Social Care services.

We took into account the matters disclosed in the Council's annual governance statement in undertaking our work.

There were no reports by other regulatory bodies or inspectorates that are relevant to our work this year. We did note, however, the issues raised in the Local Government Association (LGA) peer review of member behaviour commissioned by the Council and published in December 2014. We also noted the actions that have been taken as a result of this review.

In addition, we identified a need to carry out additional risk-based audit work in relation to programme and project management.

Overall conclusion

On the basis of our work, we were satisfied that in all significant respects City of York Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.

The Council has addressed the issues we raised last year in relation to adult social care. We recognise that adult social care still represents a huge challenge from the increasing demand from an ageing population, the impact of changes in legislation, and the need to work more closely with partners, particularly in terms of better integrating health and social care. However, we found that the Council has addressed the weaknesses in budgetary control and financial management in Adult Social Care services that we identified last year, has a better grip on the financial position and is consequently better placed to address the challenges that it faces.

We did identify a number of areas for improvement in programme and project management, however, on balance we concluded that the Council did have proper arrangements in place, which recognises that the Council is seeking to deliver innovative and demanding projects and this will not always go smoothly, difficult decisions may be required and there may also be a need at times to change approach. The key issue for our conclusion was that the Council has proper arrangements in place to deal with these issues when they arise, and that risks are managed and mitigated as far as possible.

Financial resilience

Overall, the Council has responded well to the financial pressures it has faced, at a time of unprecedented reductions in public sector spending.

Ongoing pressure on the public finances presents significant challenges for the Council which is planning for further reductions in spending power at a time of increasing demand for services.

The 2014/15 budget included £10.7m of revenue savings. This is on top of the total of £51m savings already achieved in the period 2010/11 to 2013/14.

The following table summarises the 2014/15 financial outturn position.

Area	Budget	Year end position	Underspend for the Year
2014/15 General Fund Net revenue expenditure	£124.2m	£123.5m	(£0.7m)

The Council has delivered £10.7m of savings in 2014/15 and achieved a small underspend overall (£0.7m).

The financial outlook remains extremely challenging, and the 2015/16 budget included £11.9m in revenue savings.

As more and more savings are required, it has become increasingly difficult to achieve them without impacting directly on services.

It is estimated that a further £35m of savings will be required between 2016 and 2020, representing over 30% of the Council's net budget. If savings cannot be delivered in adult social care, where there are increased demand pressures from an ageing population, the Council's remaining services could face cuts of 50%. Following the local elections in May 2015, there is now a new political administration for the Council. This was followed by a 2015/16 budget amendment in July 2015, identifying an additional £1.5m of new commitments, funded using the £0.7m underspend from 2014/15 and other measures.

The Council adopts a prudent approach to its finances and has set aside reserves, both for unforeseen circumstances (£8.1m) and for specific earmarked purposes (£49.0m). These secure the Council's immediate financial resilience.

The Council has a range of earmarked reserves for specific plans and projects that will help the Council to deliver its priorities. These reserves provide some flexibility if the Council needs to invest to save, for example, but there is a recognition that reserves cannot be used to sustain services and the underlying budget reductions identified will need to be delivered.

Securing economy, efficiency and effectiveness

In response to reduced central funding, as well as targeting specific areas for efficiency improvement and savings, the Council has also sought to implement an ambitious transformation programme and is seeking to build resilience within local communities and the voluntary sector. The scope for integration of health and social care provides an opportunity for real improvement in service delivery and outcomes for local people. Economic development builds a stronger City and creates additional capacity and opportunity.

Effective programme and project management is critical to deliver the required changes, manage the associated risks and ensure that the desired outcomes are delivered for the Council, the City and its residents.

The City of York Council has shown ambition and drive. The Council can point to improvements, including successes in project delivery that have brought significant benefits. However, the Council has also experienced considerable difficulties with some projects, including the Lendal Bridge traffic scheme and more recently, with the housing for older people programme.

These impact on the Council's reputation, take considerable officer time to deal with and can have significant costs associated with them.

We were concerned that, if the high profile examples of problems in project delivery were repeated in other areas, this may impact adversely on the Council's delivery of change and transformation, delay much needed improvements and incur unnecessary costs. As a consequence, as part of our audit programme this year, we have focused on programme and project management and governance as a priority topic.

We were separately commissioned by the Council to review the Housing for Older People programme and terminated procurement process to identify the reasons for the issues that arose and the key lessons to be learnt.

In addition, as part of the 2014/15 audit of value for money arrangements, we also carried out additional risk-based work to form a view on the adequacy of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources in relation to other key ongoing programmes and projects.

We selected two key areas for our focus:

- the project management of a current high profile outward facing project – we selected the Community Stadium project, to assess how well the risks were being managed and how the lessons

learned from experience on other projects have been reflected in establishing more robust arrangements; and,

- the programme management for the Re-wiring Public Services transformation programme, including an assessment of governance and risk management arrangements. This is a more internally focused change programme, but the improvements are essential to how well the Council will be able to adapt to further funding reductions.

In the following sections we summarise the outcomes of our advisory review of the Housing for Older People programme, our views on the community stadium project and on the Re-wiring Public Services transformation programme.

Advisory review of the housing for older people procurement

The Older People's accommodation project was an ambitious and complex programme of work for the Council involving multiple inter-related work-streams, various stakeholder interests and a high public profile. This required a disciplined business case development, robust governance arrangements and tight programme management to provide assurance on risks and appropriate, timely communication to decision-makers and stakeholders. Although we identified some areas of good practice, there were some weaknesses in the Council's approach and arrangements in these areas and consequent opportunities for improvement and learning on future major projects.

The underlying issue pervading our findings was the lack of a structured, best practice approach to business case development. The impact of this was that information on which to base the economic, financial and commercial cases and the adoption of the preferred solution was presented to Cabinet in a piecemeal way in a series of reports over a protracted period of time and highly caveated. Some of the key challenges involved were considered; but the lack of a more disciplined approach (for example, the Treasury's Five Case Model) meant that it was difficult to evidence in the formal records that the strategic case had been made, all options were properly considered and evaluated, or that financial, commercial and other risks were fully debated and mitigated.

Affordability was the key risk highlighted throughout the process. Financial information was available at the early stages of the project but heavily caveated pending further work. Operational assumptions were not robustly challenged and the Council did not develop a contingency plan in the event of this significant risk materialising. Affordability was repeatedly highlighted as a key area of concern in reports to Cabinet throughout the process. There were therefore alerts at early stages to the need for more rigorous scrutiny of the economic and financial elements of the business case. Robust scrutiny at an earlier stage would have acted as an effective brake and "reality check" on proposals before the launch of a procurement process which was subject to the vagaries of the market during a recession.

Governance arrangements over risk were not appropriate for a project of this scale, although risks were presented in Cabinet papers and progress reporting to the Programme Board. Risks were debated at the Project Board, however, minutes of meetings do not evidence escalation of these risks. A comprehensive risk register was not in place throughout the duration of the project. Mitigations proposed were not sufficient in some cases and significant risks were not routed in a systematic way to Corporate Management Team and Cabinet.

The programme aimed to drive cost improvements whilst at the same time delivering higher quality and transformational change for York residents. A competitive dialogue route was chosen as the procurement route to achieve this. Council officers involved had limited experience in this form of procurement and associated commercial issues. Although the process was well managed in the circumstances, significant problems were encountered by the team in maintaining sufficient interest by the market. In June 2014, the Council was left with a single remaining bidder before the Invitation to Submit Detailed Solution stage. This presented a commercial challenge and although market failure can be difficult to predict, fuller consideration of the commercial implications before commencement of the process may have allowed measures to be put in place to allow better management of this scenario.

Following budget discussions the budget approved in February 2015 confirmed that additional resources would not be allocated to the project. Cabinet then approved termination of the procurement in March 2015 and the pursuit of alternative options.

It is equally important to reflect upon the areas of good practice and successful delivery of elements of the programme:

- A comprehensive and well managed public consultation on the strategic direction and a good mechanism for engagement with external stakeholder representatives through a wider reference group;
- The successful transition of residents and staff following the closure of two homes in March 2012 which was externally scrutinised and confirmed as meeting best practice;
- Elements of sound project management at project team level in terms of disciplined reporting to Programme Board, highlighting/debate of risks and follow up of actions in the face of considerable resourcing and capacity constraints as well as numerous changes in the composition of the project team over the life of the project; and
- The project team demonstrated considerable commitment and diligence in exploring ways to deliver an affordable solution in the face of considerable challenges to realise the programme's ambition, in particular given the duration of the project capacity issues and changes in personnel over that time.

Our separate advisory review report identified a number of areas for improvement. This was considered by the Audit and Governance Committee on 29 July 2015, along with an action plan prepared by officers to address the issues raised.

The Community Stadium project

We carried out a brief review of the arrangements for the delivery of the Community Stadium project. This was undertaken in May and June 2015, and followed up in August 2015. The nature of our review was such that any comments we make are about the arrangements the Council has put in place, and can not be interpreted as giving any assurance in relation to the successful delivery of the project.

The Community Stadium project proposes wide social, economic and community benefits. It aims to deliver an 8,000 seat community stadium, state of the art leisure facilities and a community hub involving a range of partners. Retail, restaurants and a cinema development are also planned on the site. The objective for the Council is to achieve these benefits with the minimal use of Council resources and with maximum leverage of external funding and commercial investment from the private sector.

Following a competitive dialogue process, Greenwich Leisure Ltd was identified in September 2014 as the preferred bidder on a design, build, operation and ongoing maintenance arrangement, covering the community stadium, the new stadium leisure complex and the Council's wider leisure facilities. The current plan is for a £37m development, which will require £8m of capital investment by the Council. The revenue consequences of the investment have been taken into account in the forward planning.

The project involves considerable risk, sensitive negotiations with a number of commercial partners and a need to deliver within the cost envelope that has been estimated. Affordability is a key risk and is continually reviewed by the project team.

Our review of arrangements identified that:

- Project management arrangements were clear and streamlined, with a Programme Director, focused project team and a monthly Project Board with appropriate representation from senior officers;
- The original plans were underpinned by a comprehensive business case, agreed by Cabinet in March 2012. The project expanded in size significantly with the addition of the new leisure facilities, and the report to Cabinet in September 2014 setting out the expansion of the project was comprehensive and appeared to address all relevant issues;
- Our review of risk documentation and other key supporting evidence for the management arrangements for the project indicated a robust and comprehensive approach was being adopted;
- There have been some contentious issues to address and consequent delays in the project to date; these are perhaps not unexpected due to the nature of the project and the complexity of the arrangements. The evidence reviewed suggests that the Council has continued to manage its way through these complexities in a professional manner; and
- A further update to the new Executive Committee in August 2015 sets out the latest position in detail, revealing further uncertainty about the completion date. Members have been provided with appropriate updates on project progress while maintaining the necessary commercial confidentiality.

We do not have any recommendations to make in relation to the arrangements for the community stadium project.

The Transformation programme

We reviewed the project management and governance arrangements for the Re-wiring Public Services transformation programme over the summer of 2015. Our review considered overall programme management and governance arrangements, supplemented by a detailed review of a sample of projects within the programme.

The Re-wiring Public Services Programme was introduced in October 2013 as a major programme of work to redesign services and develop new operating models with full engagement with York residents to ensure client focus whilst managing the major funding challenges faced by the Council. There are three broad principles underpinning the transformation programme:

- Helping residents to be independent and supporting those that need help to have a better quality of life;
- Commissioning outcomes efficiently and focusing resources on the real needs of the community; and
- Understanding communities and businesses and working with partners to enable and commission the outcomes.

The programme consists of several core overarching programmes of work:

- Business efficiency and consolidation
- Place Based Services and Public Realm
- Adult Social Care
- Communication and Resident Engagement
- Children's Services, Education and Skills
- An Organisational Development project supports the transformation programme.

A strategic case setting out the key dimensions of the programme was presented to the Cabinet in February 2014. Cabinet considered further updates in July 2014, October 2014, December 2014 and February 2015.

Skills and capacity issues were cited as key challenges by officers during our review and this was recognised in Corporate Management Team discussions and Cabinet papers as a risk.

Project teams include resources from teams with operational roles. This places pressure on service managers and significant reliance on key individuals to support concurrent programmes of work, for example, in Finance and HR. The corporate transformation team supporting the process is relatively small and their capacity is therefore stretched in supporting the whole programme.

From our review, we noted that:

- Programme briefs have provided a high level summary of each programme. Generally, there is limited articulation of risks, financial and workforce impacts of programmes. However, we note that for Place Based Services a considerably greater level of detail is provided on financial implications;
- Corporate Management Team noted in September 2014 that business cases for all programmes were to be submitted to the Cabinet in October 2015; business cases for projects under Children's Services have been taken to Members, the Executive did receive proposals on the future plans for older people's accommodation in July 2015, and proposals for Place based services are progressing; and
- there has been a significant investment of officer time in the transformation programme; it is important that this is evaluated against the outcomes, improvements and savings that are delivered.

Funding constraints may not allow any additional resourcing to support the programme. However, it would be sensible to take stock and re-assess priorities and timescales. Within this context, we would recommend consideration of a re-phasing of the programme and a thorough review of resources required to support it, in terms of skills and capacity. In our view, the Council should take the opportunity to re-assess, redefine and reprioritise aspects of the programme which otherwise risks failure due to the breadth of scope of the programme and associated governance and project management requirements. This would allow expectations to be managed for all stakeholders in terms of deliverability of core, critical programmes of work to a feasible timescale.

We have produced a detailed findings document for management, and we propose to bring a short report to the next Audit and Governance Committee setting out our recommendations in relation to the transformation programme in more detail.

Follow up of issues raised last year in respect of Adult Social Care

The conclusion for the 2013/14 audit was that in all significant respects City of York Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources with one exception. The exception to this was that there were weaknesses in budgetary control and financial management in Adult Social Care services. There was a lack of understanding and ownership of budgets within the service and performance information was limited. The Council had identified the need for improvement in adult social care and a future savings target of £6m, but during 2013/14 the service did not demonstrate an ability to address the issues that it faced.

The Audit and Governance Committee received a number of update reports which documented the action that had been taken in response to our findings. We have followed up the action taken to address the issues we raised last year in the 2014/15 audit and concluded that all of the action points were satisfactorily addressed.

We found that the Council has addressed the weaknesses in budgetary control and financial management in Adult Social Care services that we identified, has a better grip on the financial position and is consequently better placed to address the challenges that it faces. The best evidence for the improvement was the delivery of an improved outturn position on the adult social care budget. The budget outturn for 2014/15 was an overspend of £193k, which was 0.4% of the £51.2m budget, compared to a previous history of more significant overspends.

We recognise that adult social care still faces a huge challenge from the increasing demand from an ageing population, the impacts of changes in legislation, and the need to work more closely with partners, particularly in terms of better integrating health and social care. Whilst the Council has started to develop plans to address these areas, there is still much work to do, and adult social care remains a significant financial and operational risk for the Council. A new Director of Adult Social Care has been appointed and will begin to take these issues forward when he takes up his post in the autumn.

Significant Value for Money risks

Responding to the financial pressures

Description of the risk

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.

There have been some high profile examples of problems with project delivery. Most recently, the Council is considering whether to continue its long-running housing for older people procurement and has begun to consider a new strategy.

Responding to the financial pressures (continued)

How we addressed this risk

We reviewed:

- the budget process and the Medium-Term Financial Strategy;
- the progress made in identifying savings required;
- progress of the Council's Transformation Programme;
- budget monitoring reports and other finance updates;
- delivery of improved outcomes; and
- whether project management practices are robust and lessons are being learned from difficult experiences.

Conclusion

Based on the work completed (and described in the paragraphs above), we are satisfied that the Council has proper arrangements in place for securing financial resilience and for challenging how it secures economy, efficiency and effectiveness in its use of resources.

Risks in relation to adult social care services

Description of the risk

We identified weaknesses in budgetary control and financial management in adult social care services in the 2013/14 audit and this led to an 'except for' qualification of the VFM conclusion. The risk is that the measures taken by the Council to address the issues raised last year are not effective.

How we addressed this risk

We followed up on the work undertaken in adult social care to ensure that previously agreed actions had been implemented. We considered how well the service was responding to a large number of challenges, such as preparing for Care Act implementation, increasing demand (ageing population and high proportion of over 85s in York), reducing resources, and the extent to which it has taken the opportunity to improve overall outcomes through working with partners, such as Vale of York CCG through the Better Care Fund.

Conclusion

Based on the work completed (and described in the paragraphs above), we are satisfied that the Council has proper arrangements in place for securing financial resilience and for challenging how it secures economy, efficiency and effectiveness in its use of resources.

04 Future challenges

Financial challenges

The Council has made good progress in addressing its biggest challenges to date and has a proven track record of strong budget management and delivering planned budget reductions. The Council has delivered £10.7m of savings in 2014/15 and achieved a small underspend overall (£0.7m).

The financial outlook remains extremely challenging, and the 2015/16 budget included £11.9m in revenue savings.

The Council is not complacent about its financial position and it is estimated that a further £35m of savings will be required between 2016 and 2020, representing over 30% of the Council's net budget.

Other challenges

The wider difficulty of maintaining good service performance levels at the same time as reducing budgets is recognised by the Council, and was one of the drivers for the transformation programme.

The Council faces a number of other challenges in the coming year which include:

- better care funding and associated pooled budgets;
- joint working with health and others; and
- the ongoing impact of the Welfare Reform Act.

With a financial outlook that is increasingly challenging, to develop locally responsive services that maintain standards of access and quality, the Council will need to continue to:

- carefully forecast and effectively monitor budgets;
- identify and address financial pressures as they emerge;
- deliver a long term financial strategy that addresses immediate pressure while allowing scope for strategic service change;
- maintain effective arrangements for public engagement; and
- use constructive relationships with care providers and social care commissioners to safeguard quality.

We will focus our 2015/16 audit on the risks that these challenges present to your financial statements and your ability to maintain proper arrangements for securing value for money.

In terms of the technical challenges that officers face around the production of the statement of accounts, we will continue to work with them to share our knowledge of new accounting developments and we will be on hand to discuss any issues as and when they arise. A key area in this respect includes working with officers as they make preparations for accounting for transport infrastructure on a new basis from 2016/17.

05 Fees

As outlined in our Audit Strategy Memorandum presented to the Audit and Governance Committee on 25 March 2015, the Audit Commission sets a scale fee for our audit and certification work. The fees applicable to our work in 2014/15 are summarised below.

Element of work	2013/14 Final Fee	2014/15 As previously reported	2014/15 Final Fee
Code audit work ¹	£148,546	£135,476	£143,976
Certification work	£18,304	£15,220	£15,220
Non-audit work ²	£21,000	£2,750	£18,300
Work in relation to the Objection to the 2013/14 accounts ³	£33,381	n/a	n/a
Total	£221,231	£153,446	£177,496

All fees are shown excluding VAT

The fee outlined above in relation to certification work is an estimate as we are yet to complete our work on certifying the Council's Housing Benefit claim.

¹ There has been an increase in the fee for 2014/15 Code audit work from that reported in the Audit Strategy Memorandum in March 2015 of £8,500 to reflect additional VFM conclusion work in relation to programme and project management; this work was agreed with officers and approved by the regulator, Public Sector Audit Appointments Ltd

² Analysis of non-audit work for 2014/15:

Non-audit services	2014/15 Actual Fee
2013/14 Teachers' Pensions Return (included in 2014/15 fees due to the timing of this work)	£2,750
Advisory review of the housing for older people procurement	£12,750
2014/15 Teachers' Pensions Return	£2,750
Officer attendance at Mazars' accounting workshop relating to Group Accounting	£50
Total fee	£18,300

All fees are shown excluding VAT

There are two further areas of non-audit work where we have been asked to carry out work, but fees have not yet been formally agreed:

- the pooling of housing capital receipts return for 2014/15, current estimated fee £1,800 + VAT; and
- work in relation to a Housing and Communities Agency grant, estimate to be clarified when the scope of the specific work required has been identified

³ These costs relate to dealing with the objection to the 2013/14 accounts in relation to penalty charge notices issued at Lendal Bridge and Coppergate. The cost was £33,381 plus VAT, made up of our fees of £25,666 plus VAT and specialist legal advice of £7,715 plus VAT. The outcome of this work was reported to the Audit and Governance Committee on 23 September 2015.

Fees for additional audit work relating to City of York Trading Limited

The fees in the table do not currently include our audit fees in relation to our review of the governance arrangements surrounding the payments by City of York Trading Limited to two of its executive directors who were also officers of the Council, as at the time of writing this report these have not yet been fully assessed. It is expected that these fees will be part of Code audit work and require approval from our regulator, Public Sector Audit Appointments Ltd. We will report the agreed fees to Members in a future Audit Progress Report.

Should you require any further information on this letter or on any other aspects of our work, please contact:

Gareth Davies

Partner

T: 0191 383 6300

E: gareth.davies@mazars.co.uk

Mazars LLP
The Rivergreen Centre
Aykley Heads
Durham
DH1 5TS

Review of Project Management Arrangements for the Transformation Programme

City of York Council - 2014/15 Audit

November 2015



Contents

- 1. Executive Summary 3
- 2. Scope of Work 5
- 3. Key Findings and Recommendations 6

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 audited body and we take no responsibility to any member or officer in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

1. Executive Summary

We reviewed the project management and governance arrangements for the Re-wiring Public Services Transformation programme over the summer of 2015. Our review considered overall programme management and governance arrangements, supplemented by a detailed review of a sample of projects within the programme.

The Re-wiring Public Services Programme was introduced in October 2013 as a major programme of work to redesign services and develop new operating models with full engagement with York residents to ensure client focus whilst managing the major funding challenges faced by the Council.

Our key findings and conclusions are summarised below.

A strategic case setting out the key dimensions of the programme was presented to the Cabinet in February 2014. Cabinet considered further updates in July 2014, October 2014, December 2014 and February 2015. The Transformation Programme assisted with the delivery of some changes and improvements, helping make changes to children's centres, establish an alternative plan for care home replacement and also delivering some savings through service improvements in a time of acute austerity.

Skills and capacity issues were cited as key challenges by officers during our review and this was recognised in Corporate Management Team discussions and Cabinet papers as a risk.

Project teams included resources from teams with operational roles. This placed pressure on service managers and significant reliance on key individuals to support concurrent programmes of work, for example, in Finance and HR. The corporate transformation team supporting the process was relatively small and their capacity was therefore stretched in supporting the whole programme.

From our review, we noted that:

- Programme briefs provided a high level summary of each programme. Generally, there was limited articulation of risks, financial and workforce impacts of programmes. However, we note that for Place Based Services a considerably greater level of detail was provided on financial implications;
- Corporate Management Team noted in September 2014 that business cases for all programmes were to be submitted to the Cabinet in October 2015; business cases for projects under Children's Services have been taken to Members, the Executive did receive proposals on the future plans for older people's accommodation in July 2015, and proposals for Place based services were progressing; and
- there has been a significant investment of officer time in the transformation programme; it is important that this is evaluated against the outcomes, improvements and savings that are delivered.

At the time of our review, feedback from officers indicated that business cases were evolving and therefore decision-making gateways were not currently well defined. The change in political leadership in the May elections and recent changes in senior officers meant that delivery timetables slipped, as the teams sought to understand any new views and revised priorities that emerged from these changes.

We recognised the challenges programme managers expressed in terms of uncertain direction and prioritisation given the significant changes at the Council.

We understand that the Transformation Programme has now ended as a separate programme, although a number of projects are continuing within Directorates. Although the programme has ended, many of the issues identified from our work are still relevant to how well the Council takes forward these projects, both in terms of the approach by Directorates, and corporate oversight and coordination.

Funding constraints may not allow any additional resourcing to support projects. However, it would be sensible to take stock and re-assess priorities and timescales. Within this context, we would recommend consideration of a re-phasing of projects and a thorough review of resources required to support them, in terms of skills and capacity. In our view, the Council should take the opportunity to re-assess, redefine and reprioritise aspects of the projects it is currently implementing which otherwise risk failure due to the breadth of scope of the programme and associated governance and project management requirements. This would allow expectations to be managed for all stakeholders in terms of deliverability of core, critical programmes of work to a feasible timescale.

We do note that a new Guide to Project Management has been developed and we can see that this incorporates many elements of good practice. The gateway processes identified within the new project management process, if applied effectively, provide a good opportunity to ensure that projects are effectively managed from the start.

2. Scope of Work

Introduction

The Rewiring Public Services Programme was introduced in October 2013 as a major programme of work to redesign services and develop new operating models with full engagement with York residents to ensure client focus whilst managing the major funding challenges faced by the Council. There were three broad principles underpinning the transformation programme:

- Helping residents to be independent and supporting those that need help to have a better quality of life;
- Commissioning outcomes efficiently and focusing resources on the real needs of the community; and
- Understanding communities and businesses and working with partners to enable and commission the outcomes.

The programme consisted of 5 core overarching programmes of work:

- Business efficiency and consolidation
- Place Based Services and Public Realm
- Adult Social Care
- Communication and Resident Engagement
- Children's Services, Education and Skills

An Organisational Development project supported the transformation programme.

Objectives and Scope of Work

We have reviewed the programme and project management arrangements for the Rewiring Public Services transformation programme, to assess how effectively risks are being managed to ensure that improved outcomes are delivered.

Our key findings and recommendations supported the Value for Money conclusion as part of our external audit for 2014/15.

Our audit work consisted of the following:

- review of existing corporate guidance/policy documentation relating to programme governance;
- review of the functionality offered by the Council's Verto programme management system and use of this functionality for the management of the programme;
- for a sample of selected projects, assessment of the governance and management arrangements focusing on risk management; and
- interviews with the Transformation Programme lead and project managers as appropriate to the sample selected

Our key findings and recommendations follow in Section 3. Please note that in Section 3 our recommendations were based upon our assessment when the Transformation Programme was still in place and we were expecting it to continue. As highlighted in the Executive Summary, we understand that the Transformation Programme has now ended as a separate programme, although a number of projects are continuing within Directorates. Although the programme has ended, many of the issues identified from our work are still relevant to how well the Council takes forward these projects, both in terms of the approach by Directorates, and corporate oversight and coordination.

3. Key Findings and Recommendations

Key Findings	Recommendations
<p>Strategic Oversight</p> <p>A strategic case setting out the key dimensions of the programme was presented to the Executive in February 2014. Routine updates were requested for the Executive and Corporate and Scrutiny Management Committee.</p> <p>Reporting to the Executive is considered at Corporate Management Team (CMT) Transformation Board, however this is not a standard agenda item which means there is a risk that reporting does not occur on a systematic, planned basis.</p> <p>In terms of the content of reporting on the programme to date:</p> <ul style="list-style-type: none"> • Programme briefs have provided a high level summary of each programme. Generally, there is limited articulation of risks, financial and workforce impacts of programmes. However we note that for Place Based Services a considerably greater level of detail is provided on financial implications. • Corporate Management Team noted in September 2014 that business cases for all programmes were to be submitted to the Cabinet in October 2015; business cases for projects under Children's Services have been taken to Members, the Executive did receive proposals on the future plans for older people's accommodation in July 2015, and proposals for Place based services are progressing; and • Notwithstanding capacity constraints as highlighted below, there has been a significant investment of officer time in the transformation programme; it is important that this is evaluated against the outcomes, improvements and savings that are delivered. <p>Feedback from officers has indicated that business cases are evolving and therefore decision-making gateways are not currently well defined. The change in political leadership in the May elections and recent changes in senior officers have meant that delivery timetables have slipped, as the teams seek to understand any new views and revised priorities that emerge from these changes.</p> <p>We recognise the challenges programme managers expressed in terms of uncertain direction and prioritisation given the significant changes at the Council. We understand that the strategic direction for this programme is being reviewed, but as at the current time this has not been publicly reported.</p>	<ul style="list-style-type: none"> • It is important to clarify the future direction of the transformation programme, and for the Executive and CMT to agree a formal reporting cycle on how the programme will be managed and delivered in future. • The Council should take the opportunity to re-assess, redefine and reprioritise aspects of the programme which risks failure due to the breadth of scope of the programme and associated governance and project management requirements. • This would allow expectations to be managed for all stakeholders in terms of deliverability of core, critical programmes of work to a feasible timescale.

Key Findings	Recommendations
<p>Skills and Capacity</p> <p>The breadth of the transformation programme is significant and CYC's level of ambition in terms of objectives and outcomes is high. However, the Council is operating with increasingly reducing resources.</p> <p>Skills and capacity issues were cited as key challenges by several officers and this is recognised in CMT discussion and Cabinet papers as a risk.</p> <p>Project teams include resources from teams with operational roles. This places pressure on service managers and significant reliance on key individuals to support concurrent programmes of work, for example, in Finance and HR. The corporate transformation team supporting the process is relatively small and their capacity is therefore stretched in supporting the whole programme.</p> <p>It should also be noted that some project support officers are under temporary contracts which will be ending.</p>	<ul style="list-style-type: none"> • Funding constraints may not allow any additional resourcing to support the programme. Limited capacity needs to be recognised in terms of the breadth of the programme and deliverability. • The change in administration provides an opportunity to re-assess priorities and timescales. Within this context, we would recommend consideration of a re-phasing of the programme and a thorough review of resources required to support, in terms of skills and capacity. • The resource plan should be fully documented and its implementation assessed at CMT Transformation Board as a standard agenda item. • Further use of skilled temporary resource should be considered where the cost/benefits dictate, for example to deliver specific projects to deliver savings targets which are critical to delivering the Council's financial plan. • The resource plan should consider how to get the balance right between core resourcing required in: <ul style="list-style-type: none"> ○ the Transformation team to set direction and support priorities; ○ operational delivery teams; and ○ support functions to enable project delivery.

Key Findings	Recommendations
<p>Governance Arrangements</p> <p>The governance structure over the Transformation Programme is generally established in terms of the oversight of programme steering groups/boards into the Corporate Management Team (CMT) Transformation Board and on to the Executive. The programme is also supported from a governance perspective by Priority Boards and the Adult Social Care Transformation Board for associated projects.</p> <p>It is not clear how links are made to the Health and Wellbeing Board where relevant, however recently additional groups have been set up for joint working with health providing oversight of ASC projects including the Provider Alliance Board, Integrated Commissioning Board and Systems Leaders Group.</p> <p>Structures and Terms of Reference for some of these groups are out of date due to change in the administration at CYC and changes in senior personnel.</p> <p>Below this level, some Project Teams are operational but arrangements are inconsistent across the programme and require formalisation. For Place Based Services, project management responsibility is with the operational team, however the programme has not yet reached business case phase and requires continued support from the Transformation team.</p> <p>Programme governance is referred to in Project Briefs but has not been fully documented in terms of business case development, decision-making gateways and progress reporting. It is noted that many of the programme elements are at a research phase with business cases yet to be formulated.</p> <p>Following the review of the Older People's Accommodation programme, CYC has developed a best practice framework for programme management. This was approved by CMT in July 2015.</p>	<ul style="list-style-type: none"> • The new programme management framework, approved by CMT in July 2015, provides a robust framework to cover all aspects of the programme governance. This should be implemented with immediate effect with an associated training programme for all officers involved in programme management and oversight. • At the same time, the programme governance structure should be reviewed and refreshed to ensure consistency across the programme. • Terms of reference for all Boards governing and supporting the programme should be refreshed to ensure clarity and consistency in terms of roles, composition, reporting requirements and to minimise duplication in terms of level and content of debate. • The governance and programme management arrangements would benefit from simplification and alignment across the programme to ensure best use of senior management time and minimise duplication. The role of the new joint health/social care boards should be assessed in the context of existing groups where there may be opportunities to reduce the number of meetings or refocus terms of reference. • Reporting to Executive, relevant Scrutiny Committees and the Health and Wellbeing Board should be formally documented and understood. The role of the new joint health/social care boards in the overall governance of the programme should be clarified in the formal governance documentation. • Where projects have reached an operational implementation phase, governance arrangements should ensure continued oversight by CMT Transformation Board.

Key Findings	Recommendations
<p>Role of the Transformation Board</p> <p>The CMT Transformation Board plays a pivotal role in programme governance and there is evidence in minutes of meetings of a good standard of debate and challenge on risks.</p> <p>The Board agenda is extensive and the strategic importance of the programme requires considerable time for thorough debate. The quality of action recording has improved significantly over the period of review. Feedback from management indicated that the agenda was well managed with a focus on those projects where status was high risk.</p> <p>The Board has identified the need to significantly develop the level of progress reporting, risk articulation and management provided by programme managers through the Verto Highlights Reports. The Summary Programme and Risk Reports do not provide enough information to report adequately on progress and risk management. The Board has also referred to the need for:</p> <ul style="list-style-type: none"> • closer working with Finance team to better articulate costs, financial benefits and monitoring of realisation. We noted that programme management costs are not routinely monitored. We understand from management that detailed costs had been worked up for the majority of projects but were not at business case stage. Monitoring of the realisation of financial benefits and project management costs was not evident in Board papers or programme management reporting. • more work on the human resources impacts of programmes, communication and monitoring of the Organisational Development project; • clarity on ICT support to programmes. We understand that an ICT Board has been established but it is not clear how this Board works in terms of feeding into the overall governance structure. 	<ul style="list-style-type: none"> • The action log could be improved further in terms of indicating timescales for completion. • For recommendations on progress reporting and risk mitigation (see further below) • Given the concerns expressed by the Board on enabling elements of the programme (HR and ICT), we would recommend that detailed project plans are assessed for these aspects of the programme to dovetail into the core work-streams. • CYC might consider the need for Finance, HR and ICT focus, for example quarterly at the CMT Transformation Board to thoroughly assess progress and risks in these areas. • Where appropriate for the stage of a project, business cases should be developed which provide more clarity and detail on the financial impacts. • Reporting should include monitoring of programme management costs against budget.

Key Findings	Recommendations
<p>Programme Management System</p> <p>Verto offers comprehensive, good practice functionality for programme and project management. The functionality is not currently being used effectively for decision-making purposes, project planning, risk management and project interdependencies.</p> <p>Use of Verto appears limited to recording high level information to meet existing monthly reporting requirements rather than as a pro-active management tool.</p> <p>Much information on projects is held outside the system and as a result the content of monthly Highlights Reports is at a high level and does not give a fully informed picture of progress. Risk identification is not comprehensive, scoring is inconsistent and mitigations do not provide adequate assurance.</p> <p>Much information contained in the system requires update to take account of project progress or to amend for changes. Many fields are not completed or inconsistently completed.</p> <p>Key officers involved in programme and project management have been trained in the basic functionality of the system, however there is no User Guide to ensure consistency of use of the system in terms of its application across the programme portfolio.</p> <p>CMT and Programme Boards rely on the information provided in the Highlights Reports to assess progress. This presents a risk due to the limited and inconsistent population of the system.</p>	<ul style="list-style-type: none"> • The use of Verto should be reviewed and aligned to the requirements of the new programme management guidance. • Improving the use of Verto for reporting purposes should be a priority in terms of discipline and completeness in order to provide greater assurance over the programme and to make more effective use of limited senior officer time on programme boards. • The system functionality should focus on ensuring appropriate governance over decision making, robust risk reporting and effective progress updates to CMT and the Executive. • Training should be refreshed once the functionality required is determined and provided to all key users to ensure consistency of practice. This should be supported by a comprehensive User Guide to provide a point of reference for users. Training and guidance needs to focus on ensuring consistency in detail of information recorded, reporting on risks and articulation of costs and benefits.
<p>Programme Scope and Interdependencies</p> <p>CMT Transformation Board has discussed other projects outside the main Rewiring Public Services programme but which are related or interdependent, for example Adult Social Care projects such as the Care Act and Better Care Fund.</p> <p>We understand that that there are numerous projects which are not part of the governance arrangements for the Rewiring programme. This presents a risk in terms of ensuring linkages between work-streams where appropriate. Verto does not currently highlight project interdependencies.</p> <p>Without arrangements to provide governance over all programmes and projects ongoing, there is also the risk of over-stretched officer capacity and uncertainty over priorities.</p>	<ul style="list-style-type: none"> • We would recommend that governance arrangements cover all programmes of work across the Council to ensure interdependencies and cross-cutting themes are given the necessary oversight. • In view of the number of projects ongoing within and outside of the Rewiring Public Services programme, we would recommend a review of the scope of key projects and defined priorities to ensure minimal duplication and re-focus. • Verto needs to be developed as a tool to highlight interdependencies and associated risks to the CMT Board to support this area.

Key Findings	Recommendations
<p>Risk Management</p> <p>CYC has a corporate Risk Management policy providing guidance on the identification, assessment, evaluation, reporting and monitoring of risks.</p> <p>The document does not define where risks should be recorded and mechanism for monitoring and reporting (although this now happens through the Verto system to CMT).</p> <p>Risks identified in project briefs which have been provided to the Executive tend to be high level and are not fully translated into the project management system. This means that risks may not be being appropriately recorded and managed.</p> <p>We understand that workshops were held at the commencement of the Place Based Services project to generate and debate risks. This is good practice. Information provided in Verto by project managers indicates that risks are recorded at a high level only, inconsistently scored and not sufficiently mitigated.</p> <p>We note that Internal Audit is represented on the programme board to support risk management arrangements.</p>	<ul style="list-style-type: none"> • The Risk Management policy should be updated to reflect the implementation of the new programme management approach together with a more disciplined recording of risks and mitigations to properly inform progress reporting. • Risk management training and guidance should be provided once the policy is refreshed. • We would also recommend review and testing of a refreshed policy by Internal Audit. • Risk review sessions should be a standard part of project initiation when a risk log should start to be populated.

This page is intentionally left blank