

Notice of meeting of

Audit & Governance Committee

To:	Councillors B Watson (Chair), Brooks (Vice-Chair), Firth, Hyman, Scott, Vassie and Gunnell
Date:	Tuesday, 19 April 2011
Time:	5.30 pm
Venue:	The Guildhall, York

AGENDA

Note:

As agreed at previous meetings, the Chief Internal Auditor and District Auditor (Audit Commission) will be present in the meeting room from 5:00 pm to provide a private briefing for Members, if required.

1. Declarations of Interest

At this point Members are asked to declare any personal or prejudicial interests they may have in the business on this agenda.

2. Exclusion of Press and Public

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

Annex C to Agenda Item 6 on the grounds that it contains information relating to negotiations in connection to a labour relations matter arising between the authority and employees of the authority. This information is classed as exempt under paragraph 4 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

3. Minutes (Pages 3 - 10)

To approve and sign the minutes of the meeting of the Audit & Governance Committee held on 14 February 2011.

4. 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 Monday 18th April 2011**.

5. 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 February 2012.

6. Key Corporate Risk Monitor 4. (Pages 17 - 88)

The purpose of this paper is to present to Audit and Governance Committee (A&G) the current position of the risks associated with the Key Corporate Risks (KCRs) as at the end of February 2011.

7. Audit Commission 2010/11 Audit Plan Progress Report.
(Pages 89 - 106)

This report presents the progress report of the Council's external auditor, the Audit Commission, in achieving their 2010/11 Audit Plan. The Progress Report is attached at Annex A.

8. Review of Effectiveness of Internal Audit. (Pages 107 - 110)

To advise members of the process for the 2010/11 review of the effectiveness of the council's system of Internal Audit, as part of the review of the overall system of internal control required for the 2010/11 draft Annual Governance Statement (AGS).

9. IFRS Update. (Pages 111 - 114)

The purpose of this report is to update Members on the progress made to implement the statutory changes required in financial reporting from UK General Accepted Accounting Practice (GAAP)

to International Financial Reporting Standards (IFRS). It also includes the changes in the revised Accounts and Audit Regulations 2011.

10. Internal Audit, Counter Fraud & Information Governance Plan 2011/12. (Pages 115 - 132)

The purpose of this report is to seek the committee's approval for the planned programme of audit, counter fraud and information governance work to be undertaken in 2011/12.

11. Audit, Counter Fraud & Information Governance Monitoring Report. (Pages 133 - 152)

This report provides an update on progress made in delivering the internal audit workplan for 2010/11 and on current counter fraud and information governance activity.

12. Follow Up of Internal and External Audit Recommendations. (Pages 153 - 156)

This is the regular six monthly report to the committee setting out progress made by council departments in implementing:

- actions agreed as part of internal audit work
- recommendations made by the Audit Commission.

13. Audit Commission National Reports Summary. (Pages 157 - 160)

This paper gives a brief overview of national reports produced by the Audit Commission (AC), which are all available to view on the Audit Commission website. The last summary, presented to the Audit & Governance Committee in December 2010, covered reports up to 31 October 2010, and the current summary continues from that point up to 30 April 2011.

14. Urgent Business

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

Democracy Officer:

Name: Laura Bootland

Contact details:

- Telephone – (01904) 552062
- E-mail – laura.bootland@york.gov.uk

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

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

Contact details are set out above.

About City of York Council Meetings

Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন অর্ধতে তথ্য জানানোর জন্য সব ধরনের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোআবী সরবরাহ করা হবে। টেলিফোন নম্বর (01904) 551 550।

Yeteri kadar önceden haber verilmesi koşuluyla, bilgilerin terümesini hazırlatmak ya da bir tercüman bulmak için mümkün olan herşey yapılacaktır. Tel: (01904) 551 550

我們竭力使提供的資訊備有不同語言版本，在有充足時間提前通知的情況下會安排筆譯或口譯服務。電話 (01904) 551 550。

اگر مناسب وقت سے اطلاع دی جاتی ہے تو ہم معلومات کا ترجمہ مہیا کرنے کی پوری کوشش کریں گے۔ ٹیلی فون (01904) 551 550

Informacja może być dostępna w tłumaczeniu, jeśli dostaniemy zapotrzebowanie z wystarczającym wyprzedzeniem. Tel: (01904) 551 550

Holding the Executive to Account

The majority of councillors are not appointed to the Executive (40 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Decision Session) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- Public libraries get copies of **all** public agenda/reports.

City of York Council

Committee Minutes

MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE	14 FEBRUARY 2011
PRESENT	COUNCILLORS B WATSON (CHAIR), BROOKS (VICE-CHAIR), FIRTH, HYMAN, GUNNELL AND CRISP (SUBSTITUTE FOR COUNCILLOR SCOTT)
APOLOGIES	COUNCILLORS SCOTT AND VASSIE
IN ATTENDANCE	COUNCILLOR MOORE

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

54. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda. None were declared.

55. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex C to agenda item 8 on the grounds that it contains information relating to negotiations in connection with a labour relations matter arising between the authority and employees of the authority. This information is classed as exempt under paragraph 4 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006). Also Annex 1 to agenda item 13. This information is classed as exempt under paragraphs 4 and 7 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by the Local Government (Access to Information) (Variation) Order 2006).

56. MINUTES

RESOLVED: That the minutes of the Audit and Governance Committee meeting held on 6 December 2010 be approved and signed by the Chair as a correct record.

57. PUBLIC PARTICIPATION

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

58. AUDIT AND GOVERNANCE COMMITTEE FORWARD PLAN

Members received a report that presented the future plan of reports expected to be presented to the committee during the forthcoming year to December 2011.

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

RESOLVED: That the committee's Forward Plan for the period up to December 2011 be approved.

- REASONS: (i) To ensure the committee receives regular reports in accordance with the functions of an effective audit committee.
- (ii) To ensure the committee can seek assurances on any aspect of the council's internal control environment in accordance with its roles and responsibilities.

59. CERTIFICATION OF CLAIMS AND RETURNS 2009/10 - AUDIT COMMISSION

Members received a report that asked them to consider the Certificate of Claims and Returns Report 2009/10 produced by the Audit Commission. The report reviewed the council's arrangements for the preparation and administration of grant claims within the council. Consideration was also given to Action Plan that had been agreed with Audit Commission.

An officer from the Audit Commission went through the key issues in the report. She congratulated the council on having addressed issues that had previously been identified, including ensuring the timely submission of documentation. The improvements that had been made had also resulted in a reduction in the fees paid to the Audit Commission.

- RESOLVED: (i) That the content of the Certification of Claims and Returns Annual report 2009/10 be noted.
- (ii) That the agreed Action Plan, presented as Appendix 3 to the Audit Commission Report, be noted.
- (iii) That officers be congratulated on the improvements that had been made and which had been acknowledged in the Audit Commission report.

- REASONS: (i) To enable Members to consider the effectiveness of the council's grant administration activity, and in particular the areas for improvement identified within the report.
- (ii) To enable Members to comment on the proposed improvement arrangements.

60. AUDIT COMMISSION OPINION PLAN - 2010-11

Members received a report that presented the Audit Commission's Opinion Audit Plan for 2010/11 which was attached as an annex to the report.

Members considered the matters set out in the Plan. The officer from the Audit Commission drew Members' attention to Table 1 in the report, which detailed specific opinion risks that had been identified. Consideration was also given to the Value for Money Conclusion.

Referring to Table 3, some concerns were raised as to whether the work that was taking place in respect of procurement processes was achieving the expected outcomes. Officers stated that if Members so wished, procurement could be included in the key corporate risks and officers could attend the next meeting to provide an update on the work that was taking place. Members noted that the Effective Organisation Overview & Scrutiny Committee had received information, including a presentation by officers, on procurement and it was therefore agreed that it would not be necessary for this to be identified as a key corporate risk at this stage. The option remained for a scrutiny topic on procurement to be registered should Members so decide.

Members agreed that the Plan reflected the audit needs and interests of the council.

RESOLVED: That the Plan be agreed.

- REASONS: (i) To ensure the effective deployment of scarce external audit resources to best effect.
- (ii) To ensure that the external audit and inspection process contributes effectively to the council's system of internal control.

61. KEY CORPORATE RISK QUARTER 3 MONITOR

Members received a report that presented the current position of the risks associated with the Key Corporate Risks (KCRs) as at the end of December 2010.

Consideration was given to the risks set out at Annex B, confidential Annex C and paragraph 5 of the report.

Officers clarified that Risk Reference 1835 referred to the York Sports Village but unfortunately the subtitle had been omitted. This would be rectified in future documentation¹.

Referring to discussions that had taken place at the previous meeting in respect of bullying and harassment (Risk Reference 1799), Members requested that an update on the work that was taking place to address this issue be provided².

Members also requested that they be kept updated on any changes to the risks in respect of the Community Stadium.

Referring to Risk Reference 1005 – Waste Management Strategy Partnership, Members queried why the revised date had been put back to 31 December 2011. Whilst it was acknowledged that the consultation and planning application process would take time, some concerns were expressed regarding the difference between the original target date and the revised date. Officers agreed to seek further information from the risk owner regarding the delay and report back to Members.³ Members stated that it would be useful for a brief reason to be included when dates were revised significantly and to include any resulting financial costs.

- RESOLVED: (i) That the risks be noted.
- (ii) That the following areas of risk be reviewed in more detail at the next meeting:
- Update on implementation of new payroll and HR system (I-Trent)
 - Update on progress with council HQ

- REASONS: (i) To provide assurance that risks to the council are continuously reviewed and updated.
- (ii) To provide assurance that key risks to the council are being properly managed.

Action Required

- | | |
|--|----|
| 1. Amend documentation | KB |
| 2. Information to be provided | SB |
| 3. Information to be provided to Members re revised date for Risk Reference 1005 | KB |

62. UPDATE ON TRANSPARENCY REPORTING

Members received a report that updated them on progress to meet the government requirement to publish on-line details of salaries and spending by 31 January 2011.

Members were informed that new contracts over £500 would be included on-line from 1 February 2010.

Members asked for information to be provided on the number of Freedom of Information requests that were received by the council. Officers agreed to provide this information following the meeting¹.

RESOLVED: That the progress contained within the report be noted and the continuing work being undertaken be recognised.

REASON: So that those responsible for governance arrangements are updated to ensure that the implementation of the

transparency agenda is achieved in accordance with the recommended guidance.

Action Required

1. Circulate information to Members re number of FOI requests received KB

63. TREASURY MANAGEMENT QUARTER 3 MONITOR

Members received a report that monitored the treasury management activity for the first nine months of the financial year.

Members' attention was drawn to paragraph 4 of the report which detailed the key issues.

Members had attended a training session on treasury management prior to the meeting. They stated that this had been very useful and thanks were expressed to the officers who had delivered the session.

At the request of Members, officers gave details of the Venture Fund, including details of projects that had used the funding.

- RESOLVED: (i) That the Treasury Management Monitor 3 and Prudential Indicators 10/11 be noted.
- (ii) That a training session on "Borrowing" be held prior to the meeting on 25 July 2010.

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.

64. TREASURY MANAGEMENT STRATEGY

Members received a report that aimed to support them in the scrutiny of the Treasury Management Strategy Statement and Prudential Indicators for 2011/12 to 2015/16 (Appendix A to the report) by providing key areas and points to note.

It was noted that the figures in Table 4 of the report referred to millions. Officers confirmed that this would be corrected¹.

RESOLVED: That the Treasury Management Strategy Statement and Prudential Indicators for 2011/12 to 2015/16 be noted.

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.

Action Required

1. Amend documentation

LB

65. INTERNAL AUDIT PLAN CONSULTATION

Members received a report that sought their views on the priorities for internal audit for 2011/12, to inform the preparation of the annual audit plan.

Members noted the proposed approach to internal audit planning for 2011/12 which took into account the major changes that were taking place across all council services and the reduction in resources which meant that services could no longer continue to operate controls to the extent that they had historically. The proposed approach would provide a mix of traditional audits and other reviews targeted towards areas of increased risk due to change.

Members' views were sought about whether:

- (a) the proposed approach to determining priorities for the 2011/12 audit plan, set out in the report, was reasonable
- (b) there were specific high risk areas in the existing risk assessment, attached as an annex to the report, which should continue to be a priority for a more traditional audit review
- (c) there were other specific areas which should be considered for audit in 2011/12

Members sought further information regarding the process by which risks were identified and rated. Officers explained that the ratings took into account factors such as the size of the budget, the controls that were in place, discussions with managers and external audit and the views of Members when raised at meetings such as Audit and Governance Committee. Risks were kept under review and the ratings were amended if appropriate. The focus was on how the organisation was delivering within the budget set by the council. This involved looking at the systems, processes and controls that were in place and ensuring that these provided value for money.

Some concerns were raised regarding the risk rating in respect of Grants & Adaptations (Private Sector Housing Renewal & DFGs) – reference 11720. Officers agreed to look into the rating following the meeting¹.

RESOLVED: That the proposed approach to internal audit planning for 2011/12 be approved.

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

Action Required

1. Further consideration to be given to risk reference 11720

RS

66. FRAUD RISK ASSESSMENT AND REVIEW OF COUNTER FRAUD POLICIES

Members received a report that informed them about potential fraud risks that the council was exposed to, and proposed counter fraud activity to address those risks. The report also detailed the outcome of a review of the council's counter fraud policies.

Members were asked to comment on the fraud risk assessment, set out in Annex 1 to the report, and the proposed priorities for counter fraud work. They were also asked to comment on the review of the council's counter fraud and corruption policy and fraud and corruption prosecution policy, and the changes proposed.

- RESOLVED: (i) That the fraud risk assessment and the proposed priorities for counter fraud work be approved.
- (ii) That the council's counter fraud and corruption policy and fraud and corruption prosecution policy be approved.

- REASONS: (i) To ensure that scarce audit and counter fraud resources are used effectively.
- (ii) To ensure counter fraud procedures and policies are up to date, as part of their responsibility for overseeing the council's overall governance framework.

67. TRANSITION TO NEW STYLE LEADER AND CABINET MODEL

[see also Part B minute]

Members received a report that sought their comments on proposed constitutional changes which arose from the council being required to implement a new form of Executive in May. The report also identified a number of minor proposed amendments which had been identified.

The Monitoring Officer responded to questions raised by Members in respect of the number of Executive Members which the Leader could appoint, and in respect of Article 7 paragraph 3 (e) and how this related to the transitional arrangements that had been agreed.

RESOLVED: That it be recommended to council that the proposals contained in the report be approved for implementation after the May election.

REASON: To ensure that the Constitution remains up to date and fit for purpose.

PART B - MATTERS REFERRED TO COUNCIL

68. TRANSITION TO NEW STYLE LEADER AND CABINET MODEL

[see also Part A minute]

Members received a report that sought their comments on proposed constitutional changes which arose from the council being required to implement a new form of Executive in May. The report also identified a number of minor proposed amendments which had been identified.

The Monitoring Officer responded to questions raised by Members in respect of the number of Executive Members which the Leader could appoint, and in respect of Article 7 paragraph 3 (e) and how this related to the transitional arrangements that had been agreed.

RECOMMENDED: That Council approve the proposals contained in the report for implementation after the May election.

REASON: To ensure that the Constitution remains up to date and fit for purpose.

Councillor B Watson, Chair

[The meeting started at 5.30 pm and finished at 7.00 pm].



Audit and Governance Committee

19 April 2011

Report of the Assistant Director of CBSS (Financial Services)

Audit & Governance Committee Forward Plan to February 2012**Summary**

1. This paper presents the future plan of reports expected to be presented to the Committee during the forthcoming year to February 2012.

Background

2. There are to be six fixed meetings of the Committee in a municipal year. To assist members in their work, attached as an Annex is the indicative rolling Forward Plan for meetings to February 2012. This may be subject to change depending on key internal control and governance developments at the time. A rolling Forward Plan of the Committee will be reported at every meeting reflecting any known changes.
3. There is one amendment to the forward plan since the previous version was presented to this Committee in February 2011. Following the advised change to the Accounts and Audit Regulations, the Draft Statement of Accounts will be presented to this committee in July, rather than June. This is covered in more detail in the IFRS Update report, also on this meeting's agenda.

Consultation

4. 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

5. Not relevant for the purpose of the report.

Analysis

6. Not relevant for the purpose of the report.

Corporate Priorities

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

Implications

8.
 - (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

9. 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

10.
 - (a) The Committee's Forward Plan for the period up to February 2012 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:

Helen Malam
Accountant
Customer & Business Support
Services
Telephone: 01904 551379

Chief Officer Responsible for the report:

Keith Best
Assistant Director of CBSS (Financial Services)
Telephone: 01904 551745

Report Approved



Date 06.04.11

Specialist Implications Officers

Head of Civic, Democratic & Legal Services

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers:

None

Annex

Audit & Governance Committee Forward Plan to February 2012

This page is intentionally left blank

Audit & Governance Committee Draft Forward Plan to February 2012

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

- **Committee 29 June 2011**

Annual Scrutiny Report 2010/11

Annual Internal Audit Report 2010/11

Review of Effectiveness of Internal Audit

Annual Governance Statement 2010/11

*Audit Commission reports as per agreed Audit & Inspection Plan
Changes to the Constitution (if any)*

- **Committee 25 July 2011**

Draft Statement of Accounts 2010/11

Risk Management Quarter 1 Monitor

Scrutiny of the Treasury Management Annual Report 2010/11 and Review of Prudential Indicators

*Audit Commission national reports summary (if any)
Audit Commission reports as per agreed Audit & Inspection plan
Changes to the Constitution (if any)*

- **Committee 26 September 2011**

Annual Governance Report

Corporate Governance Update

Risk Management Quarter 2 Monitor

Follow-up of Internal and External Audit Recommendations

Internal Audit & Fraud Plan Progress Report

*Audit Commission reports as per agreed Audit & Inspection plan
Changes to the Constitution (if any)*

- **Committee 5 December 2011**

Annual Audit Letter – Audit Commission (if published)

Data Quality Progress Report

Internal Audit & Fraud Plan Progress Report

Audit Commission national reports summary (if any)

Audit Commission reports as per agreed Audit & Inspection plan

Changes to the Constitution (if any)

- **Committee 13 February 2012**

Risk Management Quarter 3 Monitor

Treasury Management Quarter 3 Monitor

Treasury Management Strategy

Update of Counter Fraud Policies

Internal Audit Plan Consultation

Audit & Fraud Risk Assessment

Audit Commission reports as per agreed Audit & Inspection plan

Changes to the Constitution (if any)



Audit & Governance Committee**19 April 2011**

Report of the Assistant Director CBSS (Head of Financial Services)

Key Corporate Risk Monitor Four 2010/11**Summary**

1. The purpose of this paper is to present to Audit and Governance Committee (A&G) the current position of the risks associated with the Key Corporate Risks (KCRs) as at the end of February 2011.

Background

2. The KCRs are reported to both the A&G and Corporate Management Team (CMT) four times a year as part of the council's overall governance arrangements. The KCRs are regularly reviewed and updated at CMT, A&G and also at Directorate Management Teams (DMT's).

Risk Overview

3. Since monitor 3 the key changes to note is that under the KCR "Financial Pressures" the risk in relation to "Reduction in Revenue Budgets" has had its score increased to Critical (Paragraph 8 of this report provides some high level context in relation to this risk). Within the detailed risk register itself (Magique) there are further associated risks at Directorate level that provide some of the more operational challenges including the scale of the savings required to be met within the Directorates, the financial risk due to the reliance on high income from a few service areas, and external environmental issues including the increase in fuel costs and the tough market conditions for the council's externally traded services.
4. At the same time there is more positive news in relation to key risks including Fairness & Inclusion, Waste Strategy and the Local Government Pension scheme where the council is successfully managing and reducing the level of risk. More background from the relevant risk owners is provided at Paragraph 10.
5. At monitor 3 the critical risk in relation to the York Sports Village was removed as the University had set a date for starting the project, outline planning permission had been received and the funding was in place.

As full planning permission has now been formally received the two remaining risks have been removed at monitor 4. In addition the risk in relation to the Barbican has also been removed as refurbishment work is underway and the opening is planned for the third week in May 2011.

6. The risks in relation to the More for York programme reported as KCR 0017 within the monitor are undergoing a fundamental review and are not included in Annex B at monitor 4.

Monitor Four

7. Annex A provides a summary sheet, which highlights the movement in the risks reported under each of the KCR focus areas since the last monitor. The position of the KCRs as at the end of February is set out at Annex B and confidential Annex C of this report. The monitor is complete in terms of accurately reflecting the information recorded in the council's risk register (Magique) however, there is an on-going requirement for risk owners to ensure their risks are accurate, complete and up-to-date.
8. Whilst A&G can review the monitor (Annex B & C) in its entirety the three Critical risks are set out below with the risk owners' up to date views on the position:

KCR 0016 Capital Programme

Failure to obtain funding for Access York Phase 1

The delivery risk for Access York Phase 1 is considered to be critical because the way that the government distributes funding for transport major schemes has significantly altered since the scheme obtained Programme Entry status in March 2010. The other key risks such as planning consent and land purchase have all been resolved satisfactorily but the availability of the principal funding source, confirmed by the previous administration, is now more uncertain. Approximately 90% of the funding (£22.9m) was expected to be provided by the Department for Transport (DfT). Their budgets have now been reduced and this has resulted in the scheme being placed in what is termed the 'Development Pool'. An Expression of Interest for the continuation of the scheme was submitted to the DfT by 4 January 2011. Following the addition of 23 schemes into the Development Pool in February 2011 there are now 45 projects valued at an estimated £945m competing for £630m of funding. A 'Best and Final Funding Bid' for the scheme will be prepared and submitted before the autumn deadline (9 September). The DfT will make a decision regarding the funding of the schemes dependent on a number of criteria including value for money, extent of local contribution, and deliverability by the end of 2011 meaning that the earliest that successful schemes could re-start with DfT funding is April 2012. If the Access York Phase 1 scheme is successful in obtaining funding, it is anticipated that the

project would be completed and the Park & Ride sites operational, by early summer 2014.'

KCR 0019 Safeguarding

Safeguarding

"In common with every other local authority this risk remains a constant. The controls in place are regularly reviewed and updated in line with emerging national guidance. Measures to review and strengthen the controls in place to manage this risk in the next quarter include, participation in an LGID Peer Review of our Local Safeguarding arrangements, implementation of our local action plan following the recent unannounced inspection of our contact, referral and assessment service, implementation of a new supervision policy for all children's social care workers involved in child protection activity and improved case file auditing arrangements."

KCR 0022 Financial Pressures

Reduction in Revenue Budgets

"The requirement to reduce revenue budgets by approximately 28% and a 45% reduction in capital funding over the next 4 years presents a challenging financial scenario for the council to manage. Whilst long term financial planning provides a key control, critical to the organisation been able to manage this risk effectively lies in identifying and achieving the savings identified in service reviews and delivered through the More for York efficiency program."

9. The appropriate risk owner from the relevant directorate can provide more detailed information, if it is required, in relation to any of the above risks or any others contained within the monitor.
10. The above comments from the risk owners help provide context around the critical risks contained with the monitor (Annex B & C) however risk owners often provide information around some of their other risks that whilst not critical they feel need bringing to A&G's attention to show the progress that has been made in managing the them:

Waste Strategy

"Members will be aware that both the City Council and North Yorkshire County Council have agreed to award the Long Term Waste Management Contract to Amey Cespa in December 2010 . This has meant that the previously highlighted critical risk relating to the Termination of the Project is no longer a critical risk to council. The project will now enter the Planning phase with a planning application anticipated to be submitted in April 2011."

There remains a number of high risks relating to planning as well as affordability due to delays and changing interest rates / exchange rates. These risks are being constantly monitored with mitigation controls been undertaken where appropriate.”

Risk Area – Fairness & Inclusion

“The current Corporate Fairness and Inclusion Strategy 2009-12 (FIS) and the corporate Single Equality Scheme were approved by the council Executive in December 2009 and will be refreshed by June 2011. The FIS was produced with the involvement and engagement of the council’s Equality Advisory Group following a two-year consultation with key equality community groups. It puts in place the common minimum standards for equality and inclusion policy-making and practice across all council services. Each Directorate has its own Single Equality scheme, Directorate schemes identify the specific equality outcomes to be achieved. The schemes are monitored by each Directorate Management Team at least quarterly. They have led to improvements some of which have been recognised nationally, for example in disabled children services.

Officers use the Equality Framework for Local Government to assure progress with equality in the council. It has three levels: Developing Achieving and Excellent. Currently officers assess that the council is at the top end of Achieving and has attained Excellent in some areas. This self assessment will be reviewed by external peers in summer 2011.”

KCR 0020 Climate Change

“Since the A&G report in 2010 we have carried out a significant risk assessments with key services across CYC and a detailed report of the potential risks is being compiled. Once complete this will illustrate the key future risks and actions to mitigate the consequences of the risks. The climate change framework and action plan were approved in October 2010 and will be live from March 2011. Part of this work will coordinate a city wide response to managing the risks of a changing climate across York (and including CYC + WoW partners)”

KCR 0022 Financial Pressures – Local Government Pension Scheme

“The NYPF's actuary has completed the tri-ennial valuation and set the employer's contribution rate for the 3 years from 2011-12. Mindful of the significant cuts to local government funding and the need to keep council tax rises to a minimum, the actuary has extended the period over which employers can pay back their deficit in the fund. This has had the effect of significantly reducing the required increase in contribution rates. CYC's estimated contribution rate for the 3 year period has increased by just 1% to 19 %. This risk has now been removed from the monitor”

Issues arising from A&G committee February 2011

11. At A&G on 14 February members asked why the Action (Consultation to be completed as statutory consultation on planning) set out at KCR 003 in relation to the Waste Management Strategy Partnership (Ref 1005) had been revised from 31 August 2010 to 31 December 2011. The risk owner has provided some clarity around this issue as follows “the initial risks, controls and actions were in relation to whether the solution would be approved by Members. Now this has happened the project will start to go through the statutory planning processes which means that this action will not be completed until December 2012”.
12. A&G asked for some further information regarding the Bullying and Harassment policy in schools following the Fairness and Inclusion report that was presented in December 2010. The responsibility for managing bullying and harassment in schools rest with the individual school and not the local education authority. There are various legal requirements on and powers for schools that relate to bullying (including homophobic, racist and cyber bullying). In particular, the Education and Inspections Act 2006 requires that head teachers must determine measures on behaviour and discipline that form the school's behaviour policy, acting in accordance with the governing body's statement of principles in so doing. The policy determined by the head teacher must include measures to be taken with a view to 'encouraging good behaviour and respect for others on the part of pupils and, in particular, preventing all forms of bullying among pupils'.
13. The law empowers head teachers, to such extent as is reasonable, to regulate the behaviour of pupils when they are off school site (which is particularly pertinent to regulating cyberbullying) and empowers members of school staff to impose disciplinary penalties for inappropriate behaviour. There are two key policies in relation to bullying and harassment these are the Local Authority Anti-Bullying policy and the Local Authority Abusive Parent Policy. These policies are attached at annex D & E respectively.

Detailed reports requested by A&G

14. A&G requested three detailed reports at its meeting on 14 February 2011 in respect of the York Community Stadium, Administrative Accommodations Project and iTrent payroll system. These reports are attached at annex F (1-2), G & H (1-3) respectively of this paper and the relevant officers are here to present and take and questions in relation to these reports.

Options

15. Not applicable.

Corporate Strategy

16. The effective consideration and management of risk within all of the council's business processes will contribute to achieving an 'Effective Organisation' and aid the successful delivery of each theme within the Corporate Strategy.

Implications

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

Risk Management

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

Recommendations

18. A&G are asked to :
- a. Consider, comment and agree on the risks set out at Annex B & C and paragraph 8 of this report;

Reason
To provide assurance that risks to the council are continuously reviewed and updated
 - b. Consider and comment on the risks reports presented in respect of the Bullying & Harassment, York Community Stadium, Administrative Accommodation Project and iTrent Payroll System.

Reason
To provide assurance that projects are properly managing risks as part of the project methodology

Contact Details

Author:

David Walker
Head of Financial Procedures
Phone No. 01904 552261

Claire Holliday
Risk Management Officer
Phone No. 01904 551156

Chief Officer Responsible for the report:

Keith Best
Assistant Director of Financial Services
Customer and Business Support Services

Report Approved

Date 6 April 11

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Key Corporate Risk Monitor Three 2010/11.

Annexes

Annex A – KCR summary page

Annex B – Key Corporate Risk Monitor

Annex D – Local Authority Bullying and Harassment Policy

Annex E – Local Authority Abusive Parent Policy

Annex F – Detailed risk report York Community Stadium

Annex G – Detailed risk report Administrative Accommodation Project

Annex H – Detailed risk report iTrent payroll system

Confidential Annexes

Annex C – Confidential Risk Monitor

This page is intentionally left blank

	Last Monitor (total risks)	Removed (since last monitor)		New (not in last monitor)		Increased		Stayed the same		Decreased		This Monitor (Total risks)
KCR 0003 Waste PFI	4	×	0	★	0	↑	0	⇔	4	↓	0	4
KCR 0010 Emergency Planning & BC	2	×	0	★	0	↑	0	⇔	2	↓	0	2
KCR 0014 Equal Pay	1	×	0	★	0	↑	1	⇔	0	↓	0	1
KCR 0015 Fairness & Inclusion	4	×	0	★	0	↑	0	⇔	4	↓	0	4
KCR 0016 Capital Programme	10	×	3	★	2	↑	0	⇔	7	↓	0	9
KCR 0017 More for York	6	×	6	★	0	↑	0	⇔	0	↓	0	0
KCR 0018 Ageing Population	2	×	0	★	0	↑	0	⇔	2	↓	0	2
KCR 0019 Safeguarding	1	×	0	★	0	↑	0	⇔	1	↓	0	1
KCR 0020 Climate Change	N/a	×	N/a	★	N/a	↑	N/a	⇔	N/a	↓	N/a	N/a
KCR 0021 Performance Framework	3	×	0	★	0	↑	0	⇔	3	↓	0	3
KCR 0022 Financial Pressures	6	×	3	★	0	↑	1	⇔	2	↓	0	3

New risks: (N.B. 'New' risks, in this context, are risks that have not been reported in the previous monitor. They could have been identified and recorded in the risk register some time ago or they could have only been recently identified and recorded.

KCR 0016 Capital Programme

Admin Accom 0293 & 1821

This page is intentionally left blank

KCR 0003 Waste management strategy partnership

Corporate Lead Bill Woolley

Financial penalties of failing to manage satisfactory partnership solution to waste agenda. Partnership solution with NYCC introduces risks to the programme from CYC perspective (control, breakdown of effective working, governance etc). Project risks of the partnership have been identified and are being managed by NYCC as the lead body

City Strategy**Waste Management Strategy Partnership****Project delays**

Risk Owner: Bill Woolley

Risk Ref: 1005**High****20**

Cause Failure to communicate to stakeholders regarding the benefits and requirement for a treatment site.
Failure to secure and/or demonstrate adequate consultation.
Stakeholder issues arise to do with planning and design, due to negative perception of treatment plants and technologies.

Consequence This could result in judicial review, objections of planning permission, protests, public enquiry and significant delays to the project and increase costs.

Controls

Communication Strategy
Public Consultation
Communication Plan
Work with Amey Cespa and NYCC planners
Project programme includes time for planning debate
Work to ensure the site is deliverable
Early feasibility study to be carried out to identify possible areas of concern

Owner

Bill Woolley
Bill Woolley
Bill Woolley
Bill Woolley
Bill Woolley
Bill Woolley
Bill Woolley

Actions

Consultation to be completed as statutory consultation on planning

Target Date

31/08/2010

Revised Date

31/12/2011

Failure to secure planning consent

Risk Owner: Bill Woolley

Risk Ref: 1010

High

19

Cause Failure to secure planning consent on any of the selected sites. If there is not enough preparation to ensure the site is the most appropriate and all the required testing has been complete. Environmental Impact assessments etc.

Consequence This could result in non-delivery of project.

Controls

- Identification of suitable alternative sites
- Environment Impact Assessment
- Amey Cespa working closely with planning department re design and site plan
- Council engagement with statutory consultees
- Engagement with Government Office
- Requirement of Amey Cespa to demonstrate how they plan to ensure planning success
- Work closely with Amey Cespa through planning - communication process

Owner

- Bill Woolley
- Bill Woolley
- Bill Woolley
- Bill Woolley
- Bill Woolley
- Bill Woolley
- Bill Woolley

Actions

Support provided to NYCC in terms of peer review of planning process

Target Date

31/12/2010

Revised Date

31/12/2011

Solution is unaffordable

Risk Owner: Bill Woolley

Risk Ref: 1019

Medium

14

Cause The council has agreed to an affordability envelope for the project however this could be breached due to delays, changes in interest rates or exchange rates/ inflation.

Consequence The cost of continuing with the project could be greater than do - minimum in which case the project could be terminated (at a cost to the councils).

Controls

- Highlighted as a budget requirement as part of the MTFS.
- The Council has signed up to the additional budget requirement
- Regular monitoring of latest costs
- Review affordability gap
- Manage cost drift with contractor
- Possible need to request further budget

Owner

- Bill Woolley
- Bill Woolley
- Bill Woolley
- Bill Woolley
- Bill Woolley
- Bill Woolley

Potential challenge of the procurement process

Risk Owner: Bill Woolley

Risk Ref: 1030

Low

6

Cause If the losing bidder deems the evaluation has been inappropriate

Consequence The Council could be sued and incur costs and therefore may not be able to award the contract.

Controls

- Auditable trails of documentation

Owner

- Bill Woolley

KCR 0010 Emergency Planning & Business Continuity

Corporate Lead Bill Woolley

Business Continuity: The Council has a statutory duty to have plans in place to ensure the delivery of its critical services continues throughout any disruption to itself or the community. Emergency Planning: The Council, as a Category 1 responder to critical incidents, has a duty to maintain both generic and specific plans to respond to the major risks facing its community.

City Strategy

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

Risk Owner: Richard Wood

Risk Ref: 1718

High

18

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

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

Controls

Emergency Plans for the city
 Emergency manuals
 Exercising of the plans
 Officers on-call
 Plans and manuals updated twice (particularly contacts)
 CYC Emergency Handbook
 Engagement with regional partners via local resilience forum

Owner

Richard Wood
 Richard Wood
 Richard Wood
 Richard Wood
 Richard Wood
 John Wray
 Richard Wood

Inability to continue to deliver services following a business disruption event

Risk Owner: Richard Wood

Risk Ref: 0623

High

16

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

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

Controls

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

Owner

John Wray
 John Wray
 John Wray
 John Wray

KCR 0015 Fairness & Inclusion

Corporate Lead Sally Burns

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

Communities & Neighbourhoods

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

Risk Owner: Sally Burns

Risk Ref: 1796

High

20

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

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

Controls

Corporate Fairness and Inclusion Strategy and Single Equality Scheme
 Directorate Single Equality Schemes
 Equality Framework for Local Government self-assessment and peer assessment

Owner

Evie Chandler
 Evie Chandler
 Evie Chandler

Actions

Ensure staff & member training in equality and Human Rights takes place
 Officers understand and follow the corporate equality system and standards
 Implementation of directorate equality schemes and monitoring by Directorate Management Teams every quarter
 Equality Impact Assessments are undertaken and resulting actions are implemented and monitored

Target Date

31/03/2011
 31/03/2011
 31/03/2011
 31/03/2011

Revised Date

30/04/2011
 30/04/2011
 30/04/2011
 30/04/2011

Vulnerable people cannot access our services and employment opportunities

Risk Owner: Pauline Stuchfield

Risk Ref: 1797

High

20

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

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

Controls

CBSS directorate Single Equality Scheme

Owner

Pauline Stuchfield

Actions

Complete Equality Impact Assessments of access to services and employment and implement resulting action plans

Target Date

31/03/2011

Revised Date

30/04/2011

We do not provide fair and inclusive customer-focused services

Risk Owner: Sally Burns

Risk Ref: 1798**High****20**

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

Consequence

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

Controls

Directorate Single Equality Schemes

Owner

Evie Chandler

Actions

Complete and implement service Equality Impact Assessments and monitor remedial actions

Target Date

31/03/2011

Revised Date

30/04/2011

Vulnerable staff are bullied, harassed and feel excluded

Risk Owner: Sally Burns

Risk Ref: 1799**High****20**

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

Consequence

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

Controls

Workforce Plan

Owner

Pauline Stuchfield

Actions

Implementation of Workforce Plan

31/03/2011

30/04/2011

Monitoring through service planning and PDRs

31/03/2011

30/04/2011

Equalities Impact Assessments undertaken for all Human Resources practices

31/03/2011

30/04/2011

Consultation with Staff Equalities Reference Group (SERG)

31/03/2011

30/04/2011

KCR 0016 Capital Programme

Corporate Lead Bill Woolley & Pete Dwyer

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

City Strategy

Strategic Planning and Transport

Transport Capital Programme

Failure to obtain funding for Access York Phase 1

Risk Owner: Tony Clarke

Risk Ref: 1319

Critical

23

Cause If the DfT or CYC funding was not available

Consequence Project would not proceed

Controls

Regional Funding Allocation confirmed available.

Follow DfT procedures to obtain main funding.

Follow CYC CRAM procedures for local contribution.

Owner

Tony Clarke

Tony Clarke

Tony Clarke

Actions

Confirm CYC funding through CRAM process

Progress scheme through new bidding process. Submit Best and Final Funding Bid by 9 September 2011

Target Date

31/03/2009

31/03/2011

Revised Date

31/08/2011

09/09/2011

Failure to deliver objectives of LTP

Risk Owner: Tony Clarke

Risk Ref: 1832

High

16

Cause Reduced funding from DfT

Consequence Congestion, air quality, safety levels will worsen.

Controls

Obtain funding from alternative sources

Owner

Tony Clarke

Actions

Progress funding bid to Local Sustainable Transport Fund

Target Date

21/03/2011

Revised Date

18/04/2011

Adults, Children & Education

Failure to deliver ACE school modernisation strategy

Risk Owner: Kevin Hall

Risk Ref: 0363**Medium****13**

Cause Late delivery or failure of significant capital projects include: Rawcliffe and Clifton Primary schools and English Martyrs and Our Lady's primary school merger. Other schemes now in development include: Clifton Green extension, Applefields school integrated provision, Huntington secondary construction project. Further projects are subject to DfE funding announcements.

Consequence Late delivery of large scale capital projects may lead to reputational damage, financial loss and difficulties with school admissions and accommodating children and young people.

Controls

Extensive project management
Regular reporting to Members

Owner

Maggie Tansley
Kevin Hall

City Strategy**Administration & Accommodation Review****Developers unable to meet the requirements of the development brief.**

Risk Owner: Ian Asher

Risk Ref: 1315**High****18**

Cause Developers are unable to comply with the brief as outlined in the design brief, within the budget due to emerging historical building, archaeological or onerous conditions.

Consequence Reduction in scope.- eg. Building area or quality.
Possibly less effective building due to an increase in staff density resulting in negative feedback and staff dis-satisfaction.
Sustainability features put at risk.
Potential for extended programme due to historic finds.
Reputational damage to CYC.

Controls

Realistic development brief
Professional advice to ensure specification is achievable.

Owner

Ian Asher
Ian Asher

Actions

Monitor design proposals and early site work

Target Date

08/04/2010

Revised Date

30/05/2011

Failure to discharge planning conditions

Risk Owner: Ian Asher

Risk Ref: 1821**High****17**

Cause *The developer delays or is unable to comply with the planning conditions. This risk remains valid until the end of the project.*

Consequence *Completion of the construction work and the subsequent handover of the building to the council could be delayed. The council may not be entitled to occupy and/or use the building if planning conditions are not discharged.*

Controls

Planning policy
Conditional Sale and Development agreement
Staged design development meetings

Owner

Ian Asher
Ian Asher
Ian Asher

Actions

Monitor discharge of CSDA pre-conditions including developer's discharging of the planning conditions.

Target Date

30/09/2010

Revised Date

30/09/2011

Dilapidation liabilities are higher than budgeted

Risk Owner: Philip Callow

Risk Ref: 0293**High****16**

Cause *Uncertain values of dilapidation liabilities.*

Consequence *Could result in an overspend of the project budget at the end of the project.*

Controls

Dilapidations budget
Dilapidations surveys

Owner

Tom Wilkinson
John Urwin

Actions

Negotiation with landlords

Target Date

01/12/2010

Revised Date

06/04/2011

Failure of the organisation to implement the corporate transformational change agenda reflected in the new HQ design brief

Risk Owner: Ian Asher

Risk Ref: 0351**Medium****14**

Cause *The organisation does not effectively coordinate and implement the transformational change agenda.*

Consequence *The Council will fail to achieve the operational efficiencies and improvements in customer service provision, anticipated in the business case. The project will deliver a new head quarters building that the organisation is unable to use to its maximum potential.*

Controls

Integration with the More for York Programme

Owner

Ian Asher

City Strategy**Community Stadium**

Commercial Development does not progress

Risk Owner: Tim Atkins

Risk Ref: 1844**High****18**Cause *The developer has problems raising funds.*Consequence *No enabling funds available resulting in a shortfall of capital. Scheme delayed and / or alternative developer required.***Controls**

Financial protocols

Owner

Tim Atkins

Actions

Due diligence

Target Date

28/02/2011

Revised Date

28/04/2011

Soft market test another developer-partner

30/04/2011

Capital Funding

Risk Owner: Tim Atkins

Risk Ref: 1759**Medium****14**Cause *Insufficient funds to effectively fund capital for project.*Consequence *Fail to meet vision for community benefit.***Controls**

Planning Strategy

CYC capital programme

Other external funding sources

Owner

Tim Atkins

Tim Atkins

Tim Atkins

Actions

Undertake S106 discussions to assess available capital-finalise development appraisals.

Target Date

31/01/2011

Revised Date

31/05/2011

KCR 0018 Impact of an Ageing Population

Corporate Lead Pete Dwyer

This is a long term piece of work which has been initiated by a scoping report to CMT. The next stage is to set up agreed actions for 10/11 and beyond following a workshop with senior managers across the council and an appraisal of the key issues.

Adults, Children & Education

Increasing social care support costs

Risk Owner: Graham Terry

Risk Ref: 1715

High

20

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

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

Controls

Expected budget settlement to include growth of £1.5m for demographic pressures
Additional central government funding in 2011-12 to come via PCT
Executive considering proposals on Re-ablement service expansion in March and the EPH review in June 2011.

Owner

Graham Terry
Graham Terry
Graham Terry

Actions

Older Peoples Accommodation review

Target Date

30/06/2011

Revised Date

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

Risk Owner: Graham Terry

Risk Ref: 1714

High

18

Cause *If the Ageing Population Review fails to be given the necessary priority corporately, including required resources for it to be carried out during 2010.*

Consequence *We may not understand the extent and scale of the changes required to be made to our services to meet the ageing populations changing demands. This could lead to reputational damage and affect our CAA rating, especially if older people become disengaged with the council and broader social issues.*

Controls

Prioritisation of work following CLG and support from the Chief Executive
Continue to engage stakeholders in key actions to deliver these.

Owner

Graham Terry
Graham Terry

Actions

Finalise key actions and embed within Service Plans.

Target Date

31/10/2010

Revised Date

30/04/2011

KCR 0019 Safeguarding

Corporate Lead Pete Dwyer

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

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

Risk Owner: Eoin Rush

Risk Ref: 1707**Critical****22**

Cause Evidence that multi agency procedures were not properly implemented

Consequence

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

Controls

Monitoring of referral arrangements
Safeguarding Children Board Professional Practice Monitoring Group established
Implementation of comprehensive safeguarding children training programme
Routine Case File Auditing

Owner

Eoin Rush
Eoin Rush
Eoin Rush
Eoin Rush

Actions

Development of new Advice and Early Intervention service

Target Date

31/05/2011

Revised Date

KCR 0021 Corporate Performance Management Framework

Corporate Lead Kersten England

The council has a duty to provide value for money services to meet the needs of the citizens in York and to be accountable to local people where this is not achieved. Failure to effectively manage the council's performance could impact adversely on the council's reputation both at a local and national level. As such the council's corporate performance management framework must be robust and provide a level of assurance which enables both officers and Elected Members to make informed decisions

Office of the Chief Executive

Ensuring we get commitment and support from Partnerships for a city-wide hub

Risk Owner: Ian Graham

Risk Ref: 1819

Medium

14

Cause *The new performance framework needs to be city-wide to ensure it is effective at delivering joined up intelligence and supporting more integrated improvement.*

Consequence *Less data/information will be available in the intelligence hub and we may fail to properly integrate the big partners into the system (e.g. PCT & NY Police)*

Controls

Papers and regular updates to LSP & WoW-EDB
Regular task & finish meetings with SCS refresh and business planning workstreams

Owner

Peter Lowe
Peter Lowe

Actions

Review 'challenge' part of new PMF

Target Date

18/02/2011

Revised Date

13/05/2011

Implementing a new PMF at the same time as restructures, blueprints & major changes to govt framework

Risk Owner: Peter Lowe

Risk Ref: 1859

Medium

13

Cause *It can be difficult to consult on PMF requirements and data intelligence whilst key staff and stakeholders are going through restructures and blueprint exercises. The government are also drip-feeding changes to the performance framework and the replacement of the CAA with a sector-led self assessment framework.*

Consequence *It's similar to trying to bake a cake without knowing all the ingredients. If we do not keep up with government changes or fail to ensure that proposed PMF and intelligence hub changes feed into restructures and blueprints, the final result could be a disjointed or out-of-date city-wide PMF.*

Controls

Regular papers and updates to OCE DMT and directorate management team

Owner

Peter Lowe

Geographic Information System (GIS)

Risk Owner: Peter Lowe

Risk Ref: 1861

Medium

13

Cause *The role of GIS across the council needs to be reviewed to understand what role the Business Intelligence Team will carry out compared to other operational and maintenance duties. Currently GIS could be seen as having 3 main functions (e.g. IT operational / data maintenance / business intelligence).*

If this is not clarified, it will be difficult to incorporate GIS roles within the new corporate Business Intelligence Team (within the BCP team).

Consequence *1. The business intelligence hub requires geo codes and mapping to ensure profiling and mash-ups are developed and accessible. Is the GIS support requirements are not properly delivered, this could cause problems.
2. BI Officer training requirements may not be properly understood and met.
3. GIS data management & ownership could become fragmented and uncoordinated.*

Controls

GIS skills and support for BI hub

Owner

Peter Lowe

Actions

GIS Training and IT software requirements

Target Date

16/12/2010

Revised Date

22/04/2011

KCR 0022 Financial Pressures

Corporate Lead Ian Floyd

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

Customer & Business Support Services

Requirement to reduce revenue budgets by approximately 28% and a 45% reduction in capital funding over the next 4 years

Risk Owner: Keith Best

Risk Ref: 1806

Critical

23

Cause *Reductions of approximately 28% in local government revenue funding and 45% capital funding over the next 4 years as announced in the CSR. The specific impact for York is yet to be determined.*

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

Controls

Long term financial planning to identify funding gaps
Identify savings required
Initiate targeted service reviews delivered through the More for York programme
Promote a challenge system amongst officers to identify savings or areas for review

Owner

Keith Best
Keith Best
Keith Best
Keith Best

Savings identified beyond 2011/12 are not achieved

Risk Owner: Keith Best

Risk Ref: 1812

High

19

Cause *Some service specific savings proposals may be politically sensitive and alternative savings may need to be identified or the savings are not achieved according to More for York programme timetable*

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

Controls

Regular communication and consultation
Regular monitoring of progress by More for York programme
Identify potential savings in excess of current target
Structured and planned approach to budget planning

Owner

Keith Best
Keith Best
Keith Best
Keith Best

City Strategy

Strategic Planning and Transport

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

Risk Owner: Richard Wood

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

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

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

Controls

Lobbying for sustainable levels of investment and funding
 Review policy setting
 Access York Phase 1 Dft Funding
 A19 Roundabout Extension
 Cycling City DfT funding through Cycle England
 Access York Phase 2 DaST Connectivity Study with Leeds City Region
 LTP 3 Consultation

Owner

Richard Wood
 Richard Wood
 Richard Wood
 Richard Wood
 Richard Wood
 Richard Wood
 Richard Wood

Actions

Regularly review current status of several initiatives

Target Date

25/10/2011

Revised Date

This page is intentionally left blank

By virtue of paragraph(s) 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

City of York
Safe to Learn ~ Anti-bullying policy for Schools

The following is intended as a model outline policy that schools can use as a starting point when devising or revising their own policy. Wording in italic should be adapted to be applicable to the school.

Rationale

Providing safe and happy places to learn is essential to achieving school improvement, raising achievement and attendance, promoting equality and diversity, and ensuring the safety and well-being of all members of the school community.

Every child should be able to learn in a school environment free from bullying of any kind and in which they feel safe and supported. There is no place for bullying in our schools and communities and each of us involved in education has a role in creating a culture in schools where bullying is not tolerated. No child deserves to suffer the pain and indignity that bullying can cause. We recognise the negative impact it has on the educational experiences and wider development of so many of our children and young people. Bullying has no place anywhere in the school community, and this applies both to the bullying of pupils and teachers.

Schools need to take an active approach to promoting good behaviour, respect for others and to tackling all forms of bullying — including prejudice-driven bullying and cyberbullying. Schools, with the support of parents, the wider community, the local authority and young people themselves, need to take effective action to prevent bullying happening in the first place. A preventative approach helps schools to safeguard the well-being of their pupils and staff, as well as playing their part in creating a society in which we all treat each other with dignity and respect. (DCSF Safe to Learn 2007)

The Children and Young People's Plan 2007-2010 includes information about the Anti-Bullying Strategy Group which was set up to coordinate activity relating to anti-bullying across the city. The group consists of colleagues from Schools, Education Psychology Team, Education Development Service, Access Team, Children's Trust and North Yorkshire Police. The Anti-Bullying Strategy Group:

- Takes an overview of anti-bullying across the City of York Council
- Takes overall responsibility for the City of York's anti-bullying strategy
- Fulfils an audit and planning function to ensure future developments in the area of anti-bullying are well targeted and coordinated across the City, and are therefore more likely to prove effective.

Further support and guidance can be obtained from this group

Aims

At (*name of school*), the aim of the anti-bullying policy is to ensure that pupils learn in a supportive, caring and safe environment without fear of being bullied. Bullying is anti-social behaviour and affects everyone; it is unacceptable and will not be tolerated.

This policy will:

- Raise awareness across the school that bullying in any form is unacceptable and that everyone has a shared responsibility in promoting a safe and secure environment.
- Promote a positive ethos where respect, relationships and responsibilities are key to developing social and emotional well-being.

- Ensure a consistent response to bullying, with effective support in place for both the person being bullied and the person doing the bullying.

Definitions and Signs

Bullying is defined as deliberately hurtful behaviour, repeated over a period of time, where it is difficult for those being bullied to defend themselves. The three main types of bullying are:

- physical (hitting, kicking, theft)
- verbal (name calling, racist remarks)
- indirect (spreading rumours, excluding someone from social groups)

Cyberbullying can be defined as 'the use of Information and Communications Technology (ICT), particularly mobile phones and the internet, deliberately to upset someone else'. Cyberbullying is a 'method' of bullying. It can be used to carry out all the different 'types' of bullying (such as racist bullying, homophobic bullying, or bullying related to SEN and disabilities), but instead of the perpetrator carrying out the bullying in person, they use technology as a means of conducting the bullying. Cyberbullying can include a wide range of unacceptable behaviours, including harassment, threats and insults, and like face-to-face bullying, cyberbullying is designed to cause distress and harm. Cyberbullying can take place between children, between adults, but also across different age groups. Young people can target staff members or other adults through cyberbullying; there are examples of school staff being ridiculed, threatened and otherwise abused online. (DCSF Cyberbullying)

Homophobic bullying occurs when bullying is motivated by a prejudice against lesbian, gay or bisexual (LGB) people. (DCSF Homophobic bullying)

Pupils who are being bullied may show changes in behaviour, such as becoming shy and nervous, feigning illness, taking unusual absences or clinging to adults. There may be evidence of changes in work patterns, lacking concentration or truanting from school.

Schools' teaching and ancillary staff must be alert to the signs of bullying and act promptly and firmly against it in accordance with school policy.

Statutory duty of schools

There are various legal requirements on and powers for schools that relate to bullying (including homophobic, racist and cyber bullying). In particular, the Education and Inspections Act 2006 requires that head teachers must determine measures on behaviour and discipline that form the school's behaviour policy, acting in accordance with the governing body's statement of principles in so doing. The policy determined by the head teacher must include measures to be taken with a view to 'encouraging good behaviour and respect for others on the part of pupils and, in particular, preventing all forms of bullying among pupils'.

The law empowers head teachers, to such extent as is reasonable, to regulate the behaviour of pupils when they are off school site (which is particularly pertinent to regulating cyberbullying) and empowers members of school staff to impose disciplinary penalties for inappropriate behaviour.

Further information related to the duties of Governing Bodies, Head Teachers and teachers can be found in the DCSF Safe to learn guidance (p 14-16)

Implementing the policy

For the successful implementation of the policy, our school will ensure that the following statements are true.

For pupils who experience bullying:

- they are heard
- they know how to report bullying and get help
- they are confident in the school's ability to deal with the bullying
- steps are taken to help them feel safe again
- they are helped to rebuild confidence and resilience
- they know how they can get support from others.

For pupils who engage in bullying behaviour:

- sanctions and learning programmes hold them to account for their behaviour and help them to face up to the harm they have caused
- they learn to behave in ways which do not cause harm in future because they have developed their emotional skills and knowledge
- they learn how they can take steps to repair the harm they have caused.

For schools:

- the whole school community is clear about the anti-bullying stance the school takes
- pupils, as well as staff and other members of the school, are fully engaged in developing and reviewing anti-bullying work in the school
- every chance is taken to celebrate the success of anti-bullying work
- all pupils are clear about the roles they can take in preventing bullying, including the role of bystanders.

For heads, governors and other school staff:

- they develop whole-school policies which meet the law and school-inspection requirements
- they promote a school climate where bullying and violence are not tolerated and cannot flourish
- they continually develop best-practice based on knowledge of what works
- there is a review of the school anti-bullying policy every two years and, as a result, the policy and procedures are updated as necessary
- curriculum opportunities are used to address bullying
- pupil support systems are in place to prevent and respond to bullying
- they have addressed school-site issues and promote safe play areas
- all staff take part in relevant professional development, and are clear about their roles and responsibilities in preventing and responding to bullying
- all staff are aware of the importance of modelling positive relationships
- data systems gather useful information about the effectiveness of the anti-bullying work, and this data is used for monitoring and evaluation, and is shared with the school community
- they work in partnership with parents, other schools and with Children's Services and community partners to promote safe communities.

For parents:

- they are clear that the school does not tolerate bullying
- they are aware of procedures to use if they are concerned their child is being bullied or does not feel safe to learn, including the school's complaints procedure

Annex D

- they have confidence that the school will take any complaint about bullying seriously and investigate/resolve as necessary, and that the school systems will deal with the bullying in a way which protects their child
- they are clear about ways in which they can complement the school on the anti-bullying policy or procedures.

(Taken from DCSF Safe to Learn p17-18)

Preventing and reacting to bullying

Our school will adopt a range of strategies to reduce bullying and to tackle it effectively when it does occur.

Our school will take a preventative approach to bullying in a range of ways:

Leadership:

- Promote an open and honest anti-bullying ethos which secures whole-school community support for the anti-bullying policy.
- Staff actively demonstrate positive behaviour and set a positive context for anti-bullying work in the school.
- Link with other schools in a local school partnership and with LA strategies.

Use of curriculum opportunities:

- PSHE and Citizenship classes can be used to discuss issues around diversity and draw out anti-bullying messages.
- The Primary and Secondary SEAL programme is a whole-school and whole-curriculum approach to developing social and emotional skills in areas such as empathy and the management of feelings, which are highly relevant to reducing bullying.
- The use of creative learning through art, music, poetry, drama and dance can develop understanding of feelings and enhance pupils' social and emotional skills.
- Further ideas can be found in DCSF Safe to learn p 44-47

Use of other opportunities to raise awareness:

- Anti-Bullying Week (ABW) events in November of each year
- Targeted small group or individual learning can be used for those who display bullying behaviour as well as those who experience bullying
- Whole-school assemblies can be used to raise awareness of the school's anti-bullying policy and develop pupils' emotional literacy
- Events which can prompt further understanding of bullying, such as theatre groups, exhibitions and current news stories.

Pupil voice:

- Engage pupils in developing anti-bullying policy and practice is an effective form of prevention.

Structured data gathering:

- Gathering information and data on the views and experiences of pupils, staff and parents in relation to bullying will enable the school to monitor and evaluate its anti-bullying work better.

Improving the school environment:

- Use available data to identify how the school environment, and travel to and from school can be made safer can help to reduce incidents of bullying. E.g staff-supervision patterns in the playground, school buildings and on school transport, the physical design of the school building(s), including investigating 'blind spots' where bullying could take place, whether 'quiet-play' areas could be established in playgrounds or short-term safe rooms for use at break-times

Professional development:

- Schools will want to ensure that appropriately targeted information or professional development, including information on legal responsibilities, is available for: all staff — teachers, support staff, temporary staff (including student teachers), and governors

Working with Children's Services:

- Schools will want to work with their LA to ensure that partner agencies such as the Behaviour Support Service, Behaviour and Attendance Consultants, Education Psychology Service, Education Welfare Service, Child and Adolescent Mental Health Services (CAMHS) and are engaged with anti-bullying work and pupil safeguarding has a high priority.
- Schools can contact the LA Anti-bullying Strategy Group for support and guidance

Our school will take a react to bullying in a range of ways:

- Clear and effective pupil-reporting systems:

Our school has systems in place to enable pupils to report bullying incidents. Pupil-reporting systems include:

- ⇒ confidential and varied routes to report bullying
- ⇒ effective and fair investigation
- ⇒ listening strategies
- ⇒ follow-up systems to ensure that agreements are sustained.

- Use of sanctions and learning programmes:

At our school sanctions are applied fairly, proportionately, consistently and reasonably, taking account of any SEN or disabilities that pupils may have, and taking into consideration the needs of vulnerable children. Bullying by children with disabilities or SEN is no more acceptable than bullying by other children, and it should be made clear that their actions are wrong and appropriate sanctions imposed.

Sanction have a number of purposes:

- ⇒ to impress on the perpetrator that what he/she has done is unacceptable
- ⇒ to deter him/her from repeating that behaviour
- ⇒ to signal to other pupils that the behaviour is unacceptable and deter them from doing it.

In reviewing sanctions, schools will wish to ensure that they address bullying behaviours in a way which does not lead to escalation but resolution and which gives the best chance that bullying will not be repeated.

Annex D

When other strategies and sanctions do not resolve the problem, permanent exclusion may be justified in the most serious and persistent cases, particularly where violence is involved. The Department's guidance for exclusion appeal panels makes clear that pupils responsible for violence or threatened violence should not normally be re-instated.

Schools will also want to ensure that the needs of the pupil who has experienced bullying are addressed. It is not advisable to force them into situations where they have to face their bullies in isolation. It is good practice to keep disruption to their learning to a minimum; allow them to retain access to their friends and make them aware of the punishment that the pupil who bullied them will receive, as well as the support they themselves are being given.

Pupils must not be excluded from school for being bullied, even if the school believes they are doing so for the child's benefit. The legislation on exclusion makes clear that 'exclude...means exclude on disciplinary grounds'

Strategies are also in place to provide an opportunity for the pupil to put right the harm they have caused.

- Use of reward and celebration strategies:

Our school uses a range of rewards and celebration strategies to encourage pupils to behave well and take care of each other, including:

- ⇒ *Use of the DCSF Bullying Charter to communicate and celebrate the school commitment to anti-bullying.*
- ⇒ *Rewards for individual pupils who take a specific role in anti-bullying work, e.g. as peer mentors or 'listeners'.*
- ⇒ *The National Healthy Schools Status.*
- ⇒ *Use of national awards such as the Princess Diana Memorial Award for Anti-Bullying.*

- Developing the roles pupils can play

Our school involves pupils in promoting a positive whole school ethos (including the prevention of bullying) in a number of ways:

- ⇒ *Through class, circle or tutorial time in understanding the needs of their peers.*
- ⇒ *As trained peer mentors or trained mediators.*
- ⇒ *As 'defenders' in the bystander terminology.*
- ⇒ *As members of a group that supports pupils who have been bullied, where the ultimate responsibility lies with those involved in the bullying*
- ⇒ *Through assertiveness training which can help rebuild confidence and resilience for a child who has been bullied.*
- ⇒ *Through active participation in the SEAL programme.*
- ⇒ *Through being encouraged to have a say about the reward and sanction policy of the school to ensure they view sanctions as fair and make them feel they have an influence over tackling the issue.*

- Adult mediation:

Some schools use mediation services. Mediation usually focuses on pupils who have been bullying others regularly for some time, as well as those being bullied. The aim is to establish ground rules that will enable the pupils to co-exist at the school. Mediation can be very

effective, but used on its own it may not have long-term success. It should be backed up by other procedures, both disciplinary and pupil-centred.

- Engaging parents/Carers

We believe it is important for our school to work with parents/carers to help them to understand our approach with regards to bullying and to engage promptly with them when an issue of bullying comes to light, whether their child is the pupil being bullied or the one doing the bullying. We will ensure parents/carers are made aware of how to work with us on bullying and how they can seek help if a problem is not resolved.

We are legally required to have a complaints procedure and to make parents aware of this.

- Parenting contracts and orders

Some parents may need specific support to help deal with their child's behaviour. Where our school identifies that this is the case, we will initially provide support ourselves or signpost the parents to appropriate channels of help.

When parents refuse to engage voluntarily and where their child's behaviour has led to, or has the potential to lead to, exclusion, then a court-imposed parenting order may be sought.

Reporting and recording incidents of bullying

We encourage pupils to report bullying in confidence using a variety of methods. However, if pupil safety is at risk then school staff cannot keep the information confidential. Staff will use their judgement as to how to speak to the pupil about this.

A range of strategies are used in school to encourage reporting:

- *'Help Me'/Bully Boxes which are emptied daily and acted upon*
- *Confidential web-based reporting systems at school and LA level*
- *'Befrienders' or 'buddies' who are stationed at a known location every day*
- *Peer mentors*
- *Text or email systems*
- *Confidential phone numbers*
- *Adult counsellors or drop-in facilities to talk with home-school workers and mentors.*

These systems work well because:

- pupils have confidence that their concerns will be treated promptly and seriously, and that action will be taken which will not make their situation worse
- pupils can access reporting routes easily
- pupils know who will deal with their concerns, and have trust both in them and the systems which the school uses
- pupils are aware that malicious reporting relating to pupils or staff will be taken seriously and could incur a disciplinary sanction.

Reporting arrangements for parents

Parents are frequently the ones to report bullying incidents to the school. If a parent contacts the school:

Annex D

- ⇒ *Reception staff and other staff taking phone messages, notes or receiving visitors have been trained in school systems and procedures, and are clear about steps to be taken.*
- ⇒ *Reception and other staff are sensitive to the emotional needs of parents making contact with a school about incidents of bullying.*
- ⇒ *Parents should have confidence that staff will act promptly, take the concern seriously and not take action which makes the situation worse for their child.*
- ⇒ *Staff will take actions to agreed timescales and report progress to parents.*
- ⇒ *Parents are clear about how to take further action if they do not feel that their concern has been properly addressed.*

In the additional information, sources of support for parents are listed in DCSF Safe to Learn pages 58-60.

Data-collection management

The DCSF recommends that schools should record all incidents of bullying, including by type, and report the statistics to their LA. The purpose of reporting incidents to the LA is to enable the gathering of information on the number and nature of bullying incidents, and to identify any developing trends. The LA can analyse the information gathered from schools to identify any issues of particular concern. The data will also enable LAs to support and challenge schools in their duties to promote the welfare of pupils.

Schools have a specific legal duty (Race Relations (Amendment) Act 2000) to have a race equality policy and monitor its impact on pupils, staff and parents. Schools also have a specific duty to eliminate disability-related harassment under the Disability Discrimination Act 2005.

Keeping records of bullying incidents enable us to:

- ⇒ manage individual cases effectively
- ⇒ monitor and evaluate the effectiveness of strategies
- ⇒ celebrate the anti-bullying work of the school
- ⇒ demonstrate defensible decision-making in the event of complaints being made
- ⇒ engage and inform multi-agency teams as necessary.

We use bullying data to:

- ⇒ provide monitoring reports to pupils (e.g. through the school council) and staff
- ⇒ create evaluation reports for:
 - pupils, parents and staff in order to demonstrate openness and to celebrate progress
 - governors in order for them to monitor the anti-bullying work of the school
- ⇒ work towards meeting National Healthy Schools criteria and achieving National Healthy Schools Status or LA accreditation standards
- ⇒ inform the evidence presented in the school Self-Evaluation Form (SEF), which forms a key part of the evidence for Ofsted's inspection of schools.

What sort of data can be collected and used?

We keep information on the date and type of incident as standard but also record data on:

- *information on what action the school took and the impact this had on the bullying*
- *a range of data from pupil surveys including quantitative data and perception data*
- *records of peer-mentoring initiatives or projects such as playground 'buddying'*

- *parental complaints to the school or LA regarding bullying*
- *records of the Educational Welfare Service identifying where bullying is a factor in non-attendance at school*
- *exclusions data related to bullying*
- *transfer and admissions data, specific requests for transfer due to bullying or harassment*
- *information and evidence collected under the National Healthy Schools theme of 'emotional health and well-being' (including bullying)*
- *data from Ofsted reports*
- *information contained in school-improvement plans.*

Staff professional development

The DCSF recommends that schools review general and specific staff induction and continuing professional development (CPD), and identify how to ensure staff training reflects the anti-bullying policy and practice of the school. Where specific training needs have been identified for particular members of staff through school self-evaluation and individual-performance management reviews, the head teacher must ensure that those members of staff have access to the advice, training and development opportunities appropriate to their needs.

We ensure that supply teachers, temporary support staff and volunteers are clear about their responsibilities in relation to anti-bullying work in the school.

Communicating the policy

As a school, we summarise the behaviour and anti-bullying policies within staff and governor handbooks, and include them within induction programmes for all staff (including voluntary, temporary and supply staff).

The policy is always accessible to parents/carers and can be found (*name place e.g. website, parent handbook, prospectus*).

Pupils are made aware of the policy through a range of means including assemblies, tutor times, lessons, school council meetings, notice-boards, planners etc.

The policy reflects the DCSF 'Bullying Charter for Action' which is used as a key vehicle for communicating and celebrating the anti-bullying stance of the school with pupils, parents and partner agencies. It is displayed prominently in the school reception area and teaching rooms, and appears on the school's website. (See additional information for charter)

Monitoring, evaluation and review

The school will review this policy annually and assess its implementation and effectiveness. The policy will be promoted and implemented throughout the school.
(Key questions for evaluation can be found in DCSF Safe to Learn page 23)

Links to whole school policies

This policy links to other whole school policies on:

- ⇒ *School-improvement policies and plans*
- ⇒ *Curriculum policies, in particular Personal Social and Health Education (PSHE), Citizenship, Creative and Expressive Arts, and the Social and Emotional Aspects of Learning (SEAL) programme*
- ⇒ *Pupil support and safeguarding policies.*
- ⇒ *Behaviour policy*
- ⇒ *Staffing policies*
- ⇒ *Site policies including those for before/after school clubs, break-times, lunchtimes and travel-management supervision routines.*
- ⇒ *Equality and diversity policies (e.g. disability-equality scheme and race-equality policy).*
- ⇒ *School-communication policies and celebration of achievement practices.*
- ⇒ *The Anti-Bullying Charter*

Useful sources of informationDocuments:

DCSF Safe to Learn (DCSF-00656-2007)

DCSF Cyberbullying (DCSF-00658-2007)

DCSF Homophobic bullying (DCSF-00668-2007)

DCSF Bullying children with special educational needs and disabilities (DCSF-00372-2008)

DfES Bullying around racism, religion and culture (DfES-0000-2006)

Websites:

<http://www.teachernet.gov.uk/wholeschool/behaviour/tacklingbullying/>

<http://nationalstrategies.standards.dcsf.gov.uk/search/results/%22bullying%22>

www.anti-bullyingalliance.org.uk

www.nationalstrategies.standards.dcsf.gov.uk/primary/behaviourattendanceandseal/primaryseal

www.nationalstrategies.standards.dcsf.gov.uk/secondary/behaviourattendanceandseal/secondaryseal

Organisations:

See DCSF Safe to Learn (DCSF-00656-2007) page 58-60

Resources:

'Beat the bullies – 3 songs, 3 films, 1 message' DVD –
Available from the Access Team, Mill House

Additional Information

Establishing Safer School Partnerships (SSPs)

Establishing a Safer School Partnership (SSP) with the local police can be an effective prevention strategy and effective reaction tool. The aims of an SSP are to:

- Reduce the prevalence of crime, anti-social behaviour and victimisation amongst children and young people, and to reduce the number of incidents in schools and their wider communities.
- Provide a safe and secure school community which enhances the learning environment.
- Engage children and young people, challenge unacceptable behaviour, and help them develop respect for themselves and their community.
- Ensure that children and young people remain in education, are actively learning, healthy and achieving their full potential.

In terms of dealing with incidents of bullying at the time they occur the vast majority can be handled by the school. However, if a serious assault or injury occurs as a result of bullying the police should be involved.

Restorative justice

The use of restorative approaches in schools developed from experience of restorative justice in the youth and criminal justice systems. The principle is that the pupil causing harm is held to account for their behaviour. This means:

- accepting responsibility for the harm caused to the individual being bullied
- accepting responsibility for the harm caused to others (e.g. staff, friends or family)
- recognising the need to take action to begin to repair the harm caused
- agreeing a range of actions in conjunction with all those involved which will be monitored over an agreed period of time.

There is a range of restorative approaches, from informal meetings with pupils where they can talk through their issues in a structured way, to, at the most formal end, a restorative conference with an independent facilitator. Restorative approaches can be effective when the requisite time and resources are invested, but it is important that they are used in conjunction with, not in place of, sanctions.

Support for parents

Within the LA, Parents can contact the Access Team on 01904 554246

Parents can contact Parentline Plus on 0808 800 2222 for further advice on helping their child to deal with bullying. Parentline Plus offers a 24-hour confidential and free line for parents staffed by trained volunteers, as well as materials, workshops and courses that give parents tools and ideas to build closer relationships with their children, and to help their children to make the most of life. There is extensive information on the [Parentline Plus](#) website where the leaflet on helping parents worried about bullying, [Be Someone to Tell](#), can be downloaded.

Annex D

Some parents may need specific support to help deal with their child's behaviour, including instances of bullying. Where our school identifies that this is the case, the school should initially provide support themselves or signpost the parents to appropriate channels of help.

The DCSF leaflet 'Parenting Contracts; A guide for parents' (DCSF 00528-2007) states that " Every Mum, Dad and Carer needs support from time to time, especially if their child is having problems at school. Schools can offer this support through a voluntary parenting contract which is an agreement between parent or carer and school. They are a way for the school and parent/carers to work together to help improve a child's behaviour or attendance. Where parents are offered a contract but do not accept it they will need try to find other ways to improve their child's behaviour. If there is no improvement the school or LA may apply to court for a Parenting Order."

Bullying - A Charter for Action

Name of school

We are working with staff, pupils and parents to create a school community where bullying is not tolerated.

Our school community

- ✓ Discusses, monitors and reviews our anti-bullying **policy** on a regular basis.
- ✓ Supports **staff** to identify and tackle bullying appropriately.
- ✓ Ensures that **pupils** are aware that all bullying concerns will be dealt with sensitively and effectively.
- ✓ Reports back quickly to **parents/carers** regarding their concerns on bullying.
- ✓ Seeks to learn from anti-bullying good practice elsewhere and utilises the support of the **LEA and relevant statutory/voluntary organisations** when appropriate.

_____ Chair - Governors
 _____ Headteacher
 _____ Representative of pupils
 _____ Date

Ideas for schools to consider

These ideas about responding to the bullying that children and young people experience summarise the findings in the Ofsted report on good practice and in the DfES pack 'Don't Suffer in Silence'. Both of those documents draw on the effective practice that already exists in many schools. The Ofsted report contains much detail on effective practice in a range of individual schools.

✓ Discuss, monitor and review

- Do we hold discussions on bullying and its definition involving staff, children and young people, governors and parents? (Suggested definitions can be found in the Ofsted report and in the DfES pack.)
- Do we keep a record of the incidence of bullying, according to our agreed definition, and analyse it for patterns - people, places, groups?
- Do we ask ourselves what makes an anti-bullying school?
- Many analyses state that bullying can be a result of feeling powerless. What is our school doing to ensure that our children and young people do not feel powerless in the school community?

✓ Support everyone in the school community to identify and respond

- Do we work with all staff and outside agencies to identify different sorts of bullying, including homophobic and racist bullying, and bullying of children and young

people with disabilities or special educational needs? Have we considered all the opportunities where the different sorts of bullying can be tackled - through the curriculum, through corridor displays, through the School Council, through peer support, through recording and reporting processes?

- Do we create 'special safe spaces' targeted at vulnerable children and young people? Do we train lunchtime staff, learning mentors, LSU staff to identify bullying and follow school policy and procedures on anti-bullying?
- Do we use the DfES anti-bullying public information film as a prompt for class and staff discussion?

✓ Ensure that children and young people are aware that all bullying concerns will be dealt with sensitively and effectively

- Do we regularly canvass children and young people's views on the extent and nature of bullying? Do we have a secure anxiety box for safe complaining?
- Do we ensure that all children and young people are aware of the range of sanctions which may be applied against those engaging in bullying?
- Do we involve children and young people in anti-bullying campaigns in school?
- Do we demonstrate that we are aware of the power of peer support? Have we created and publicised schemes of peer mentoring or counselling, buddying or mediation, for example?

- Do we include the phone numbers of helplines in the school's student planners? Do we have an anti-bullying notice board? How else do we bring anti-bullying measures to children and young people's attention?

- What role does our School Council already play in our anti-bullying policy? How might that involvement be enhanced?

- Do we offer sufficient support to children and young people who have been bullied?

- Do we work with children and young people who have been bullying in order to address the problems they have?

✓ Ensure that parents/carers expressing bullying concerns have them taken seriously

- Do parents know whom to contact if they are worried about bullying?
- Do parents know about our complaints procedure and how to use it effectively?
- Do we work with parents and the local community to address issues beyond the school gates that give rise to bullying?

✓ Learn from effective anti-bullying work elsewhere

- Have we invited colleagues from a school with effective anti-bullying policies or LSU experience to talk to our staff on an INSET day for example? Have we involved the voluntary sector in any way?

This page is intentionally left blank



Policy for abusive or threatening behaviour on school premises

York is a city making history and its children are our future. Every child and young person in York deserves the chance to reach their full potential and live their dreams. We will stretch the most able, support those who start at a disadvantage, and protect and nurture the most vulnerable.

The Children and Young People's Plan 2009–2012 for the City of York

Policy on abusive or threatening behaviour on school premises

- All members of the school community have a right to expect that their school is a safe place in which to work and learn.
- Violence, threatening behaviour and abuse against school staff or other members of the school community will not be tolerated. There should be zero tolerance of such behaviour within the school.
- Where such behaviour does occur, action will be taken to deal with the person or persons concerned.

Action to be taken if an incident occurs

- **Incident report**

If an incident involving violence, threatening behaviour or abuse does occur then an incident report form (Appendix 1) will be completed by the member of the school community against whom the abuse was directed. In the case of this being a pupil a member of staff may complete the form on their behalf. The pupil should read what has been written agree the contents and sign it.

- **Step 1: first warning**

The headteacher will speak to the person or persons perpetrating such an incident privately. (However, they may wish to have someone with them). It will be put to the person that such behaviour is unacceptable and an assurance will be sought that such an incident will not be repeated. It will be stressed on this occasion that repetition of such an incident will result in further more serious action being taken.

The headteacher will write to the adult(s) informing them that this conduct is unacceptable.

- **Step 2: final written warning**

If a second incident occurs involving the same person or persons, the Chair of Governors will write to the adult(s) giving a final warning that this abusive and threatening behaviour is unacceptable, and that a repetition of this conduct will leave the governors no option but to involve the local authority (LA) and / or the police. The process may be accelerated according to the level of behaviour.

- **Step 3: local authority ban letter**

If such an incident recurs, or if an initial incident is considered serious enough by the headteacher, the LA would be involved to enforce any action deemed necessary. This may result in a person or persons being excluded from school premises. The LA may consider taking legal action to enforce a ban. Therefore an assurance will need to be sought from members of the school community who witnessed the offence that they will be prepared to give evidence in court should the need arise.

- **Step 4: involvement of the local authority and police**

If following a decision to ban a person from the school premises, that person nevertheless persists in entering school premises and causes a nuisance or disturbance, such a person may be removed from the school premises as a trespasser and prosecuted under Section 547 of the Education Act 1996. They may also be charged with an offence under the Public Order Act 1986 or other such legislation (Appendix 2).

- All parents, even if excluded from school premises following action by the LA, have a right to be informed about their child's educational progress. This could be achieved through a meeting with the other parent or through a written report.

Appendix One

Abusive or threatening behaviour – incident report form

1. Details

Date of incident:

Day of the week:

Time:

Location:.....

2. Member of staff reporting incident

Name:

Position:

3. Details of person assaulted / verbally abused

Name:

Job / Position (if member of staff):

4. Details of trespasser / assailant / verbal abuser (if known)

.....
.....

5. Witness(es) if any

Name:

Address:

.....

Other information / relationship between member of staff / abuser if any

.....

6. Details of incident (please attach witness statement)

.....
.....
.....
.....

Location of incident:

7. Outcome (see policy):

Step

Has abuser been involved in any previous incidents?

Name and contact details of police officer involved / incident number:

.....
.....

Form completed by :

Signed:

Date:

Please return to the Headteacher as soon as possible.

Appendix Two

This policy was drawn up using the DCSF guidance “Abusive behaviour on school premises” and the DCSF “Legal Toolkit for Schools”.

Police involvement would make reference to the Public Order Act 1986

(Criminal conduct / police remit)

Section 5 “Disorderly conduct” (paraphrased)

Verbal abuse, threatening abusive or insulting words or behaviour or any disorderly behaviour whereby a person is caused alarm, harassment or distress

Section 4 “Threatening behaviour”

A person fears that violence or threat of violence is likely to be provoked

This page is intentionally left blank



Audit & Governance Committee

19 April 2011

Report of the Director of City Strategy

Community Stadium

Summary

1. The purpose of this paper is to present to Audit & Governance Committee (A&G) the Risk Register for the Community Stadium Project.

Background

2. In July 2010 the Executive identified Monks Cross South as the preferred site for the community stadium and approved the business case which supported the outline proposals. The report demonstrated that the community stadium development was deliverable only with the support of a major commercial development. The business case set out an option for a cost effective and commercially sustainable facility that met the project's agreed community objectives.
3. Executive agreed that:
 - The preferred site for the project should be Monks Cross South.
 - The replacement athletics facilities should be developed at the Heslington East Campus as part of the York Sports Village, subject to agreement of terms with York University.
 - A procurement plan should be developed and reported back to the Executive.
4. In July 2010 Full Council allocated the use of the LABGI funds to provide £198K to take the project to the pre-procurement stage.
5. The Vangarde site has been identified as the site which could deliver the commercial development that would 'enable' the community stadium project. The site is directly adjacent to Huntington Stadium and the Monks Cross Park and Ride site (both in CYC ownership). Discussions are ongoing with the owner and prospective developer of the Vangarde site (Oakgate), regarding a potential retail scheme which would include a new stadium with associated community and commercial uses.
6. The scheme is to be progressed by the developers. They intend to submit a planning application for a single comprehensive

redevelopment of the site that will include the community stadium. This scheme is likely to be a departure from established planning policy, however will offer considerable economic, community and sporting benefits that aims to mitigate any planning harm. The extent and terms of these benefits will be controlled by a S106 agreement which is yet to be negotiated. Once the Heads of Terms have been agreed, the scheme will be passed to the Local Planning Authority for consideration and then formal determination.

7. Discussions have been initiated and are ongoing with the University regarding the provision of the replacement athletics facility. The University's initial formal response includes draft Heads of Terms which is now being considered and discussed further.
8. A schedule of potential community benefits that are suitable and deliverable for the preferred site is also being developed. Detailed discussions have been initiated with relevant stakeholders regarding the scheme. The final range of components that make up the 'community package' will be dependent on many factors; particularly the amount of S106 funding, the specifics of the planning case, and the needs / demands of the relevant community stakeholders.

Project approach to risk

9. The project is divided into manageable and controllable work streams, the responsibility and ownership of each is attributed to a named officer.
10. There is a clearly defined project organisational structure. This was revised and agreed at Executive on 19 October 2010 and Scrutiny Management Committee (calling-in) confirmed the decision of the Executive on 8 November 2010. Approval has been given to establish a Community Stadium Advisory Group with a political balance of 2:2:1 and that partner organisations be invited to attend. The purpose of the Group is to enable the business of the project to be considered more regularly and will report key findings to the Executive, who will continue to be responsible for decision making. The Group has met twice since it is has been established and will next meet after the local Elections on May 6th 2011. The meeting agendas and minutes are published online, putting the business of the Community Stadium in the public domain, securing clear and transparent audit trails.
11. Risks are reported on, captured and updated at the fortnightly held Community Stadium Project Officer meetings. They are also fed and integrated into the Project Plan Matrix in conjunction with identified required actions and updates for action owners.
12. A half day risk workshop was held in early November and facilitated by the council's Risk Management Officer. This ensured that all key risks had been adequately and accurately identified and recorded as well as

assigning specific council officer ownership. It is anticipated that another risk management workshop will be held as the project moves to the next stage.

13. The project risk register is maintained on Magique, the council's corporate risk reporting system. This provides full reporting and traceability of the projects risks.

Key Project Risks

14. The key risks identified at this stage of project relate to major processes needed to successfully deliver the community stadium development in conjunction with the enabling development. These risks are summarised below:

- **Financial**

- Commercial scheme does not progress.
- Potential capital funding gap.
- Stadium revenue funding.
- Costs of running the project can not be sustained.
- Impact VAT may have on capital / revenue model and council's VAT Partial Exemption Limit.
- Ability to meet FSIF's grant funding requirements.

- **Property**

- Scope for potential community and commercial uses within the stadium in relation to the title.
- Specifics of the current lease arrangements for Huntington Stadium and Waterworld.

- **Planning**

- The scheme is led by a commercial developer, thus the council do not have direct control over its delivery.
- Making the planning policy case for the major development.
- Potential for call-in and legal challenge of planning decision.
- Legality of the enabling case.
- Impact scheduled ancient monument may have on the scheme

- **Procurement**

- Challenge under EU procurement regulations.
- Potentially having to re-start procurement process.
- Potential increased timescales.

15. The main controls to mitigate these risks are as follows:
 - Specialist Planning and Legal Advice
 - Planning Strategy
 - Retail and Transport Impact Assessments

- Open Book Appraisal for valuation process
- Procurement Strategy
- Cost and Funding Models
- Robust project management protocols
- Specialist financial and legal advice

16. The risks and controls are explored in more detail in the project risk register which is attached as Annex A.

Recommendation

17. Audit and Governance committee members note the approach to risk management and the specific risks and mitigation measures in respect to this project.

Contact Details

Authors:

Tim Atkins
Project Manager
Phone 01904 551421

Sarah Milton
Assistant Project Manager
Phone 01904 551460

Chief Officer Responsible for the report:

Bill Woolley
Director of City Strategy

Report Approved Date

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Annexes

Annex A Community Stadium Risk Register

Community Stadium Project Risk Register - 19 April 2011 F2

No.	Risk Title	Project Element	Cause	Consequence	Gross Risk Score (pre-mitigation)			Controls are things that already exist and are in place Controls	Net Risk Score (post-mitigation)			Actions are things that are not already in place but there is a plan to implement them in the future Actions	Risk Owner
					Impact	Likelihood	Score		Impact	likelihood	Score		
1	Capital Funding.	Financial	Insufficient funds to effectively fund capital for project.	Fail to meet vision for community benefit.	Major	Probable	20	1) Planning Strategy. 2) CYC capital programme. 3) Other external funding sources.	Moderate	Possible	14	1) Undertake S106 discussions to assess available capital/finalise development appraisals. 2) Assess alternative commercial components. 3) Develop prioritised specification for cost / quality reduction.	Tim Atkins
2	Stadium Operational Revenue Funding.	Financial	Stadium development is not commercially sustainable.	Could result in future CYC revenue pressure.	Moderate	Possible	14	Inclusion of sufficient commercial activity to ensure positive revenue streams.	Moderate	Unlikely	13	1. Development and ongoing management of robust business model. 2. Market testing of the Business Plan	Tim Atkins
3	Costs of running project cannot be sustained.	Financial	Insufficient funds to effectively resource project.	Key risks are not effectively managed. Quality of feasibility and development work insufficient.	Major	Possible	20	1) Resource plan with commitment of necessary funds.	Major	Unlikely	18	1. Ongoing review and management of resource plan on rolling basis.	Tim Atkins
4	Impact VAT may have on capital / revenue model and council's VAT Partial Exemption Limits.	Financial	VAT payable on capital spend.	Council may exceed practical exemption limit.	Major	Unlikely	18	1) Procurement Strategy. 2) Cost model.	Major	Remote	12	1) Specialist VAT advice relating to procurement strategy. 2) Cost modelling.	Ross Brown
5	Ability to meet FSIF's grant funding requirements.	Financial	FSIF 'call-in' loan or timescales exceed loan agreement.	Capital available for project reduces by £2M.	Major	Possible	19	1) Procurement strategy. 2) Funding model. 3) Communications with FSIF.	Moderate	Unlikely	13	1) Regular review of project timetable and communication / discussions with FSIF. 2) Consider options for reduced specification. 3) Alternative funding options.	Tim Atkins
6	Council's ability to continue to provide funding for project.	Financial	Financial pressure on council or change in policy.	The project does not progress or the number of community benefits and specification / quality of the stadium is reduced. This will affect its commercial viability.	Major	Possible	19	1) Other identified funding streams. 2) Consider reduced specification scheme.	Moderate	Possible	14	1) To ensure achieve best value is achieved through S106, design and operating structures. 2) Develop fall-back option and investigate alternative funding streams. 3) Ensure on-going communication with funding bodies and stakeholders.	Tim Atkins
7	Commercial Development does not progress.	Financial	The developer has problems raising funds.	1. No enabling funds available resulting in a shortfall of capital. 2. Scheme delayed and / or alternative developer required.	Major	Possible	19	Financial protocols	Major	Unlikely	18	1. Due diligence. 2. Soft market test another developer/partner.	Tim Atkins
8	Commercial funds not sufficient to meet CYC vision.	Financial	Developer cannot offer sufficient enabling funds through S106 agreement.	CYC cannot support the scheme as it fails to deliver community stadium vision	Major	Possible	19	1. Planning Strategy. 2. Development Appraisal process.	Moderate	Possible	14	1. Contingency: identification of alternative schemes. 2. Reduced specification options.	Tim Atkins

Community Stadium Project Risk Register - 19 April 2011 F2

No.	Risk Title	Project Element	Cause	Consequence	Gross Risk Score (pre-mitigation)		Score	Controls are things that already exist and are in place	Net Risk Score (post-mitigation)		Score	Actions are things that are not already in place but there is a plan to implement them in the future	Risk Owner
					Impact	Likelihood		Controls	Impact	likelihood		Actions	
9	Scope for potential community and commercial uses within the stadium in relation to the title.	Property	Limitations of the restricted covenant.	This will have a knock-on impact to the commercial viability of the development or may result in the scheme not progressing.	Major	Possible	19	1. Master Planning. 2. Planning Strategy. 3. Validity of covenant established	Moderate	Possible	14	1. Establish options for removal of the covenant. 2. Potential to alter the development/layout of the scheme. 3. Determine validity of transfer document. 4. Understand potential of case laws to override covenant.	Philip Callow
10	Athletics facility cannot be built at University.	Property	Unable to reach terms with University regarding new shared provision.	1. Replacement athletics facility cannot be provided. 2. Planning case for stadium redevelopment may be harder to make.	Major	Possible	19	1. Discussions with the University. 2. University have outline planning permission for an athletics track.	Moderate	Unlikely	13	1. Contingency: Develop alternative options for other sites. 2. Develop, discuss and sign Heads of Terms with University.	Charlie Croft
11	Financial impact of breaking the Nuffield lease.	Property	Planning permission not achieved prior to lease expiring.	Impact on the stadium development budget because of potential compensation.	Moderate	Possible	14	1. Planning Strategy.	Moderate	Unlikely	13	1. Dialogue with Nuffield. 2. Explore other legal channels.	Philip Callow
12	Making the planning policy case for the major development.	Planning	1) Retail and / or transport impact assessments do not support the case for development. 2) The community benefits of the overall proposal do not outweigh the harm of the enabling development.	This could result in the stadium project not going forward or cause a delay while an alternative enabling proposal is worked up.	Major	Possible	19	1. Planning Strategy. 2. Specialist Planning Advice. 3. Benefits of Stadium Development identified.	Major	Unlikely	18	1. Alternative options for site development. 2. Schedule of pre-application meetings between developer and LPA.	Tim Atkins
13	Time delay / cost of Call-In or legal challenge.	Planning	A third party may wish to challenge the decision made and / or the SOS may call-in the application and decision making power from the LPA.	The planning decision is called-in or subject to judicial review which could cause a time delay (6-12 mths in each case), increased costs and could impact York City Football Clubs position on FSIF loan.	Major	Possible	19	1. Project Plan. 2. Resource Plan. 3. Planning Strategy.	Moderate	Possible	14	1. Develop contingencies in project plan. 2. Assess potential costs.	Tim Atkins

Community Stadium Project Risk Register - 19 April 2011 F2

No.	Risk Title	Project Element	Cause	Consequence	Gross Risk Score (pre-mitigation)		Score	Controls are things that already exist and are in place	Net Risk Score (post-mitigation)		Score	Actions are things that are not already in place but there is a plan to implement them in the future	Risk Owner
					Impact	Likelihood		Controls	Impact	likelihood		Actions	
14	Call-in / legal challenge results in refusal of planning permission.	Planning	A third party may wish to challenge the decision made and / or the SOS may call-in the application and decision making power from the LPA.	Planning permission maybe refused or legal challenge may be successful.	Major	Possible	19	1. Retail Impact Assessment. 2. Transport Impact Assessment. 3. Advice from Independent specialists.	Moderate	Unlikely	13	1. Contingency: Alternative Development Plan.	Tim Atkins
15	Legality of the enabling case.	Planning	Unable to justify the links and scale of the enabling development in terms of value, proportionality and community benefits.	1. Planning case does not progress. 2. Potential Legal Challenge. 3. The project may not have the funds to go ahead.	Major	Possible	19	1. Statutory advice on agreements. 2. Open book appraisal. 3. Retail Impact Assessment. 4. Transport Impact Assessment.	Major	Unlikely	18	1. Contingency: Alternative Development Plan. 2. Reduce specification options. 3. On-going specialist legal advice. 4. Explore and analyse potential procurement routes which could make the planning enabling case stronger	Glen McClusker
16	Planning submission is delayed.	Planning	Project slippage or deferral or delay of the planning decision.	Scheme is delayed and critical path is pushed back. Potential to threaten other funding streams and partner confidence.	Moderate	Probable	15	1) Effective planning strategy. 2) Effective resource and procurement strategies. 3) Effective communications strategy.	Moderate	Possible	14	1) Regular review of project timetable and communication / discussions with developer and LPA. 2) Regular review of resource and procurement plan and strategy. 3) Regular update meetings with partners, stakeholders and other funding bodies.	Tim Atkins
17	Impact on Scheduled Ancient Monument.	Planning	Scheme backs on to Scheduled Ancient Monument.	English Heritage may object to scheme or requirements may increase complexity.	Major	Possible	19	1. Planning Strategy. 2. Discussions with English Heritage.	Moderate	Unlikely	13	1. Ongoing dialogue with EH. 2. Community Heritage Proposals. 3. Environmental Impact Study.	John Oxley
18	Increased demand on Sustainable Transport Measure and Highways Agency Network.	Transport	The extent to which the enabling development will impact on the volume and nature of transport strategies required to minimise the impact of such a development.	Potential for cost of Sustainable Transport Measures to impact on S106 monies for the stadium development and associated community facilities.	Major	Possible	19	1. Evidence of future demand. 2. Open book appraisal. 3. Negotiation with developer. 4. Transport Impact Assessment. 5. Retail Impact Assessment. 6. Halcrow assessment.	Minor	Possible	9	1. Highways Agency Consultation. 2. Discussions with North Yorkshire Police Force	Richard Bogg

Community Stadium Project Risk Register - 19 April 2011 F2

No.	Risk Title	Project Element	Cause	Consequence	Gross Risk Score (pre-mitigation)		Score	Controls are things that already exist and are in place	Net Risk Score (post-mitigation)		Score	Actions are things that are not already in place but there is a plan to implement them in the future	Risk Owner
					Impact	Likelihood		Controls	Impact	likelihood		Actions	
19	Highways Agency objection.	Transport	HA consider impact on the Hopgrove roundabout and ring road to be significant.	HA could make direction for refusal.	Major	Possible	19	1. Transport Impact Assessment. 2. Mitigation options as part of S106.	Major	Unlikely	18	1. Initiate discussions with HA. 2. Develop options for mitigation in line with views of HA and outcome of HIA. 3. Option to challenge HA decision.	Richard Bogg
20	Challenge to the selected final bidder/procurement process.	Procurement	Challenge may be made regarding compliance with EU Procurement regulations	A court can stop proceedings, time impacts to project, might have to start process again, chosen bidder may want damages.	Moderate	Possible	14	1 Robust Tender/ Contract documentation with legal review and support throughout the process. 2. Audit trail. 3. Procurement lawyers.	Moderate	Unlikely	13	1. Ensure legal services are involved as early as possible. 2. Legal advice and risk assessment of procurement options	Zara Carter
21	Insufficient bidders.	Procurement	Due to economic climate there could be a lack of interest from bidders in this development.	This could mean that there is a limited choice of bidders for achieving best value as well as potential impact on timescales and costs.	Moderate	Possible	14	1. Procurement strategy and commercially viable scheme.	Moderate	Unlikely	13	1. Due diligence. 2. Market testing. 3. Commercially viable proposal.	Tim Atkins
22	Potential procurement routes and associated timescales.	Procurement	The procurement route chosen can have an effect on the timescales / costs of the project.	Increased costs, impact on delivery and reputation.	Moderate	Possible	14	1. Exploration of potential procurement frameworks and associated timescales.	Moderate	Unlikely	13	1. Review of available frameworks/contracts. 2. Project Team decision regarding which procurement route to take.	Zara Carter



Audit and Governance Committee**19th April 2011**

Report of the Accommodation Project Manager

The New Council Offices – Update Report**Summary**

- 1 This report responds to a request by the Audit & Governance Committee for an update on the progress on the accommodation project.

Background

- 2 The accommodation project, and the move to new offices at West Offices, is a key component of the council's 'More for York' improvement and efficiency programme. The project remains on track to be delivered within the approved capital budget of £43.8m and is scheduled for staff occupancy commencing in December 2012. The building is expected to be fully operational before March 2013.

Information

- 3 Planning permission for the West Offices scheme was formally granted on the 28th June 2010 followed shortly afterwards by the granting of listed building consent on the 10th August 2010.
- 4 The developers and the accommodation team then worked closely together to ensure the design and specification would meet the imposed planning conditions.
- 5 The council and the developers agreed the final specification clearing the way for the appointment of the building contractor, Miller Construction, and purchase of the site by the council and the start of construction at the beginning of 2011.
- 6 Miller Construction have now commenced work on the site with the erection of the security fencing, the establishment of the site accommodation, the clearance and demolition of the buildings that are not part of the new design. The works are currently on programme.
- 7 The space planning process and the business needs analysis has commenced with the aim to establish a block space plan showing the provisional space allocations for each service area across the entire accommodation property portfolio by the end of September 2011.
- 8 The property exit strategy has now substantially completed the re-negotiation of the existing property leases which have been aligned with the revised timescale of the

developer scheme. Work is continuing to develop exit strategies to maximise the value of the owned properties.

Key Risk Comments

- 9 Risk 1315. *Developers are unable to meet the requirements of the brief.*

The work on site is monitored through a monthly report issued by the project's development monitoring surveyor. This includes information on the progress to date; any change request proposals, from either party; requests for information; and an update on the progress in discharging the planning and listed building consent conditions. In addition, a design approval process has been established to allow the council to comment on drawings prior to construction issue.

- 10 Risk 1821. *Failure to discharge the planning conditions*

This is monitored and actioned through the monthly monitoring surveyors report. See risk 1315

- 11 Risk 0293. *Dilapidations liabilities are higher than budgeted.*

Property continue to monitor this and last year negotiated an extension to the lease of the 10/12GHs property which included a fixed sum for the dilapidations. The cost of dilapidations was contained within the allocated budget.

Negotiations are underway with the landlord of the Swinegate East property with the intention to agree a cash settlement in lieu of the dilapidations.

- 12 Risk 0351. *The organisation fails to implement the corporate change agenda.*

The accommodation project cannot control this risk but acknowledges that the failure to implement the change agenda could significantly affect the operational efficiency of the building.

The actions are limited to advising the council management of the impacts on the project if the change agenda is not implemented in line with the original project business case.

Contact Details

Author:

Chris Edwards
Project Manager
Tel: (01904) 553313

Chief Officer Responsible for the report:

Bill Woolley
Director City Strategy
Tel: (01904) 551330



Audit and Governance Committee**18th April 2011**

Report of the Assistant Director of Customers and Employees

Implementation Project - iTrent HR and Payroll System**Summary**

- 1 This report responds to a request by the Audit & Governance Committee for an update on the risks associated with the implementation of the iTrent HR project.

Background

- 2 The council agreed to implement a new HR system (iTrent) to replace its current HR/Payroll system (Delphi). The contract with MidlandHR (the system supplier) was signed in August 2010.
- 3 The replacement of the current HR & Payroll system is one activity within the scope of the wider HR transformation programme which is about transforming the way in which HR currently operates and delivers its service within the council. It is recognised as a contributor to major cultural and behavioural change within the council, for example, greater individual accountability through the introduction of employee and manager self service.
- 4 The proposed system implementation will take place over two phases.

Phase 1 - to be completed by end of July 2011, will include:

- Core HR, Payroll and Absence Management modules
- iTrent ICT hardware implementation
- Data migration from Delphi
- Employee Self Service – view only
- Development and implementation of E-payslips
- System interfacing with other Council systems
- Delphi & iTrent dual payroll running April and May 2011
- User Acceptance Testing
- Development of Management Information
- Training of HR and support for Self Service users
- Transition of contract payrolls
- Interface with other CYC systems

Phase 2 – to be completed by end of February 2012, will include:

- Electronic work flows for authorisations
- Development and implementation of Manager Self Service
- Development and implementation of Employee Self Service
- Development of HR site within COLIN

Annex H(1).

- Health & Safety, People Development and Learning Event Administration modules
- Business Objects training for report writing
- Continued development of Management Information
- Establishment of Annual Statutory Returns to external bodies
- Development of suite of Manager Information reports
- User Acceptance Testing and final sign-off
- Training for Managers and Employees

Information

Governance arrangements are in place through the iTrent Project Board held fortnightly, and is chaired by Pauline Stuchfield who is also the Project Sponsor. The CBSS Directorate Management Team, chaired by Ian Floyd is the project 'Executive' providing the strategic direction to the project. As the project is now moving into implementation it requires board membership to fully represent the interests of directorates and be more focussed on the business benefits. In addition, an iTrent 'User Group' has been established, which is made up of representatives from across each of the directorates. The interests of staff are represented by union representatives who also sit on the iTrent Project Board.

In addition, there is currently a level of control in place for the iTrent project overall within the council's programme of change activities, supported by Marilyn Summers, Business Change and Performance Manager and a project level of control for the implementation of iTrent, which is currently provided by the Midland HR Project Manager. This is an interim arrangement until a council Project Manager is appointed for the remainder of the implementation phases.

A diagram setting out the project governance arrangements is attached in Appendix 1.

Key Risk Comments

All potential risks to the successful implementation of iTrent are logged and reported to the Project Board on a monthly basis. As at 31st March the following risks were assessed as highest risk to the project, however actions to mitigate these risks are in place. A full list of all risks is attached at Appendix 2.

9 HR-R-043**iTrent Project Manager**

The Project Manager employed on a temporary contract left the authority on Friday 25th February to take up a permanent post elsewhere, which presented a risk to the continuity of the project implementation and impact on timescales for 'Go Live' in June for the first payroll run. However, in the interim period MidlandHR has provided additional Project Manager time to ensure that timescales for 'Go Live' are not jeopardised. This has enabled the project to remain on track.

10 **HR-R-037 and HR-R-045****Interface between iTrent and council systems**

There is a requirement to ensure an interface exists between iTrent and the council's financial system and also its document management system. Officers within Finance, IT and the iTrent project team are working closely with MidlandHR to identify the best technical solution to ensure that systems work effectively together.

11 **HR-R-046****Communication and Engagement**

There is a requirement for effective communication across all parts of the organisation to ensure all staff are aware of the impact of the implementation of iTrent. A Communication and Engagement Strategy is in place and a representative from the Communications Team now sits on the iTrent Project Board. The Business Change and Performance Manager is accountable for the delivery of the communication and engagement work stream. Plans are in place to ensure communication and engagement activity takes place throughout the life of the project. Communication with the council's Leadership Group (Directors and Assistant Directors) commenced in March 2011.

12 **Conclusion**

The project is currently on track to meet a 'go live' date for payroll of 30th June 2011. As the project moves into Phase 2 the governance arrangements will continue to provide the high level assurance to ensure that any risks and issues are managed and mitigated to minimise any potential impact on the delivery of this project.

Contact Details**Author:**

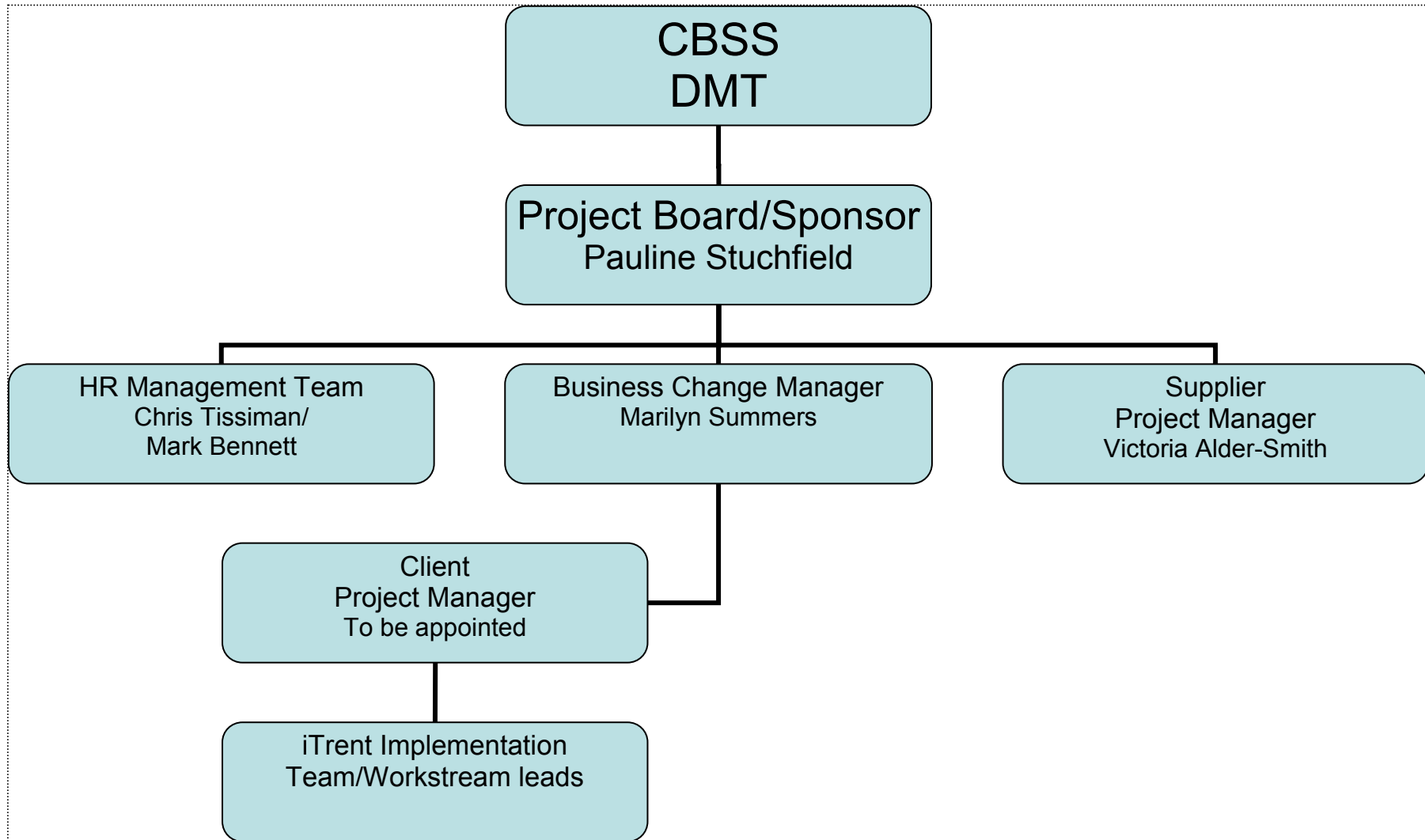
Marilyn Summers
Business Change and
Performance Manager
Tel: (01904) 551723

Chief Officer Responsible for the report:

Pauline Stuchfield
Assistant Director of Customers and
Employees
Tel: (01904) 551706

This page is intentionally left blank

Annex H 2- iTrent Governance Structure



This page is intentionally left blank

Issue ID	Date Raised	Raised By	Owner	Issue Type / Description	Potential Impact	Mitigation	Actions	Progress Report	Last Update	Open/Closed
HR-I-004	20/06/10	Will Boardman	Will Boardman	Resourcing Strategy savings in jeopardy due to lack of resource in recruitment pool.	Failure to make £300k savings in year 1	Look at other options to reduce spend on temporary resource	Gateway board to agree route forward.	Accountants are reviewing the financial aspects of both V4's and the recruitment pools proposals. This will determine the immediate route forward although consideration must also be given to the longer term strategy for resourcing.	22/11/10	Open
HR-I-005	22/11/10	Will Boardman	Will Boardman	Project Management of iTrent Team						
HR-I-006										
HR-I-007										
HR-I-008										
HR-I-009										
HR-I-010										
HR-I-011										
HR-I-012										
HR-I-013										
HR-I-014										

HR-R-043	04/02/11	Marilyn Summers	Pauline Stuchfield	iTrent - The Project Manager with leave the authority on Friday 25th February. Risk to continuity of project implementation and impact on timescales for 'Go Live' in June for payroll run. In addition, the restructuring within the Business Change and Performance Team will lead to a change in personnel from that team, this may impact on timescales and workflows.	R 23	Identify and recruit alternative Project Manager as a matter of urgency. A transitional arrangement is being agreed by the Business Change and Performance Manager (BCPM) and the Business Change and Performance Analysts (BCPAs) to ensure that key areas of work continue and timescales are met.	A 19	CVs to be sought from potential candidates with iTrent experience.	In the interim period Midland has offered additional Project Manager time to ensure that timescales for 'Go Live' are not jeopardised. Midland HR PM (VAS) currently completing both roles until a client PM is appointed. Interviews have taken place with one candidate through to second stage. It is anticipated that this person will be in post around 11th April.	23/03/11	Open
HR-R-044	24/02/11	Paul Forrest	Pauline Stuchfield	iTrent - Information for the structures is supplied but incorrect, meaning empty positions left in the new structure once all stadd matched and loaded in.	A 16	Nick Carter has been assigned from 11th March for two weeks to ensure this information is provided.	Y 11	Nick Carter consolidating information to provide to Paul Forrest to update the system accordingly.	As of 23rd March 2011 this work is still ongoing but will need to be completed by Friday 25th March to avoid any additional work.	23/03/11	Open
HR-R-045		Marilyn Summers	Pauline Stuchfield	iTrent - There is a requirement to ensure an interface between FMS and iTrent.	A 19	Work with Midland to identify the best technical solution.	Y 13	Work with Midland to identify the best technical solution.	MidlandHR meeting with CYC Accountants Thursday 31st March 2011 to agree technical solution.	23/03/11	Open
HR-R-046		Marilyn Summers	Pauline Stuchfield	iTrent - There is a requirement for effective communication across all parts of the organisation to ensure all staff are aware of impact of implementation of iTrent.	A 19	A Communication and Engagement Strategy is in place. A representative from the Communications Team now sits on the iTrent Project Board.	Y 13	Detailed communications plan drawn up.	Presentation to CLG 25th March 2011.	23/03/11	Open

Workstream	Code
Programme	PR
Customer Service	CS
Adult Social Care	AS
Housing	HG
HR	HR
ICT	IT
Neighbourhood Services	NS
Property Services	PS
Procurement	PC
Organisational Review	OR
Income Collection	IC

Impact

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

Likelihood

Colour

Score

Assessment

	1-5	Very Low (tolerate)
	6-10	Low (tolerate)
	11-15	Medium (tolerate)
	16-20	High (treat)
	21-25	Critical (treat)

Required Action

Periodic passive monitoring

Regular monitoring

Frequent monitoring

Constant monitoring, action plan and measures to be put in place to reduce exposure

Requires immediate action

This page is intentionally left blank



Audit and Governance Committee

19 April 2011

Report of the Assistant Director of Customer & Business Support Services (Financial Services)

Audit Commission Progress Report: Audit Plan 2010/11

Summary

1. This report presents the progress report of the council's external auditor, the Audit Commission, in achieving their 2010/11 Audit Plan. The Progress Report is attached at Annex A.
2. The report reflects progress on the Audit Commission's external audit work to the end of March 2011 including: the audit of the financial statements; the value for money conclusion; and the work of the national Advisory Services team.
3. It also includes an update on:
 - 2011/12 and 2012/13 fee proposals and rebates;
 - implementing International Financial Reporting Standards (IFRS);
 - future audit arrangements; and
 - recent work undertaken nationally by the Audit Commission. (Another item later on this agenda, captures Audit Commission reports issued since the end of October 2010).

Background

4. The Audit & Inspection Plan for 2010/11 was approved by this committee in April 2010. Also, the 2010/11 Opinion Plan was presented to this committee in February 2011. The Plans set out the work to be conducted by the District Auditor, taking account of:
 - national risks
 - the inherent audit risks arising from previous audit work carried out at the council including Internal Audit work and previous inspection findings;
 - the requirements of the Code of Audit Practice in discharging their statutory responsibilities in the conduct of the audit.

5. The fee for this work was confirmed as £248,900 in February 2011.

Consultation

6. Progress made in respect of the 2010/11 Audit Plan is consulted on with the relevant responsible officers within Customer & Business Support Services, prior to this being reported to those members charged with governance at the council.

Options

7. Not relevant for the purpose of the report.

Analysis

8. Not relevant for the purpose of the report.

Corporate Priorities

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

Implications

10.
 - (a) **Financial** – As previously reported, the fees can be contained within the 2010/11 budget for external audit fees.
 - (b) **Human Resources (HR)** - There are no implications.
 - (c) **Equalities** - There are no implications.
 - (d) **Legal** - There are no implications.
 - (e) **Crime and Disorder** - There are no implications.
 - (f) **Information Technology (IT)** - There are no implications.
 - (g) **Property** - There are no implications.

Risk Management

11. The council will fail to properly comply with legislative and best practice requirements to provide for the proper audit of the authority. Any failure to do so would be unlawful.

Recommendations

- 12. Members are asked to consider the content of the progress report, note its findings and matters arising.

Reason

To ensure the Committee is fully aware of the current activity of the external auditors and any issues that could affect the council's system of internal control

Contact Details

Author:

Helen Malam
Systems Accountant
Tel 01904 551379

Chief Officer Responsible for the report:

Keith Best
Assistant Director – Financial Services
Telephone: 01904 551745

Report Approved



Date 01.04.11

Specialist Implications Officers

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers:

Annual Audit Plan 2010/11

Annexes

Audit Commission Progress Report (Annex A)

This page is intentionally left blank

Progress report

March 2011

City of York Council

Audit 2010/11

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Contents

Introduction	2
Progress on the 2010/11 audit	3
Financial statements audit	3
Value for money conclusion.....	4
Advisory Services	4
Countdown to IFRS.....	5
Progress to date	5
Technical briefings and chief accountants' workshops.....	5
Learning lessons from the NHS.....	6
Looking ahead.....	7
Fee proposals 2011/12 and 2012/13	7
Future audit arrangements	7
Other developments and national publications	8
Challenges faced by Audit Committees.....	8
Protecting the Public Purse: Fighting fraud against local government and local taxpayers.....	8
Delivering more for less: Strategic financial management in local councils..	9
Housing market renewal	9
Managing personal budgets	9
Two briefings for the community safety sector	10
Auditing the accounts 2009/10	10
Local government pensions in England.....	10

Introduction

1 This update report reflects progress on our external audit work as at the end of March 2011.

2 The report also tells the Committee about other matters of interest, including:

- 2011/12 and 2012/13 fee proposals and rebates;
- implementing International Financial Reporting Standards (IFRS);
- future audit arrangements; and
- work undertaken nationally by the Audit Commission.

Progress on the 2010/11 audit

3 We presented our 2010/11 Opinion Plan to the February meeting of the Audit and Governance Committee. This plan set out our initial assessment of audit risk, and the work that we will undertake in order to meet Code of Audit Practice responsibilities. We confirmed an audit fee of £248,900 as previously agreed, and this remains appropriate.

Financial statements audit

4 Our detailed testing on the Council's financial systems is well underway. We have liaised with Internal Audit to maximise audit coverage and we have avoided duplication by relying wherever possible on their work.

5 Testing to date confirms that for the most part financial systems have operated as expected. Problems with completing timely bank reconciliations were highlighted by Internal Audit last year and these have largely been addressed through:

- compensating controls within financial systems; and
- reconciling various components of the bank reconciliation at different points during the year .

6 It is important however that a full bank reconciliation be completed as at 31 March 2011.

7 The Council is planning to implement a new payroll system later in the year and may benefit from a post-implementation review to consider the lessons learned from introducing new general ledger, accounts payable and accounts receivable packages during 2009/10.

8 We note that there has been a significant move to increase homeworking options during the year. Homeworking can provide significant benefits in terms of reducing premises costs, increased flexibility and improving work/life balance, but it does pose some specific issues in terms of monitoring staff activity, data protection and IT security. We have discussed these issues with IT staff but they should also be reflected in corporate risk management arrangements.

9 We have recommended that all system password parameters meet as a minimum requirement the current Government guidelines as set out below

- at least 7 characters,
- complex password involving upper and lower case and alphanumeric,
- forced password changes between 45-90 days maximum; and
- no re-use of the same password for at least 20 changes.

10 Currently this is not the case for all financial systems.

Value for money conclusion

11 Our assessment is based on two criteria, specified by the Audit Commission, related to your arrangements for:

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

12 Our work is progressing according to plan. Initial findings have been discussed and agreed with officers, and at this stage there are no matters of concern to bring to your attention.

13 Further meetings with key staff are due to take place during March and early April. We also will review the Council's year end financial and performance reports, and 2010/11 draft accounts, as soon as they are available:

Advisory Services

14 We have recently established a national Advisory Services team. The purpose of the team is to provide clients with more responsive and flexible non-audit support in areas where our staff have particular expertise. This includes:

- Governance;
- Financial management and reporting;
- Business planning;
- Performance management and review;
- Housing ; and
- Economic development.

15 Any such work would be outwith the Code of Audit Practice and would be separately charged for. However we will at all times continue to operate within appropriate ethical and professional guidelines.

16 Stephen Gregg, our regional lead on Advisory Services, will be meeting the Director of Customer and Business Support Services in the near future to discuss the team's remit, staff profiles and product offers in more detail.

Countdown to IFRS

Progress to date

17 Over the past 18 months we have monitored the Council's progress in preparing for IFRS. Our most recent assessment, in January 2011, confirmed that officers had a good understanding of the technical requirements and timescales. Preparations were largely on track, although some slippage had occurred while officers reworked medium term financial plans and budgets in the light of the Government's comprehensive spending review.

18 Two key issues were still outstanding as at 31 January 2011:

- the fixed asset register needs to be significantly re-worked to provide the information required for IFRS restatement, and to resolve problems identified at audit over the past two years; and
- work was still ongoing to produce a template set of 2010/11 accounts, revised accounting policies and restate prior years' balances before the year end.

19 Ideally we would like to carry out an early review of these documents as soon as they are available. This would help to highlight complex or potentially contentious areas at an early stage of the audit.

20 At a national level the Audit Commission has provided local authorities with a range of publications and support, as set out below.

Technical briefings and chief accountants' workshops

21 A number of technical briefing papers have been issued in recent months to support the local government sector in its transition to IFRS:

- accounting for employee benefits;
- reporting on operating segments;
- accounting for non current assets; and
- identifying and accounting for leases and service concessions.

22 The briefing papers focus on the core principles of relevant reporting standards, how these have been applied to the public sector context, practical issues authorities might face, and the areas likely to be of most interest to auditors.

23 Our technical specialists have also held a number of workshops with chief accountants up and down the country to focus on the new requirements. These were well attended and we have received positive feedback from delegates.

Learning lessons from the NHS

24 All NHS bodies were required to produce IFRS-compliant accounts in 2009/10, a year ahead of local government. A recent report highlights that there are valuable lessons local government could learn from their experience:

- implementation was successful largely because NHS bodies focused extra time on complex areas well in advance;
- the national exercise to restate and audit comparative information well before the year end was important in helping to identify and resolve major issues in accounting for PFI schemes, leases and legal charges; and
- new disclosure notes, accounting for leases and property, plant and equipment disclosures were the most prone to error.

Looking ahead

Fee proposals 2011/12 and 2012/13

25 The Audit Commission plans to cut costs and deliver fee reductions of about £70 million (or 30 per cent) through a combination of one-off rebates and lower fees. Rebates are being paid because of the end of Comprehensive Area Assessments, inspection work, and scored use of resources judgements. The Council should receive rebates of 3.5 per cent for 2010/11, and up to 8 per cent for 2011/12 (subject to affordability).

26 Proposals for 2011/12 audit fees are as follows:

- a reduction in scale fees because of our new approach to value for money work (between 2 and 20 per cent for local government bodies;
- a reduction in audit fees of 3 per cent for local authorities, police and fire and rescue bodies to reflect the reduction in the ongoing audit costs arising from the transition to IFRS; and
- no inflation increases;

27 The Commission has also specified a fixed fee for each audited body in 2011/12, rather than a formula with fixed and variable elements as was previously the case. The 2011/12 audit fee for City of York Council is £224,000 compared to £248,900 in 2010/11.

28 A more detailed fees letter will be presented later in the year, setting out the scope of our work and initial risk assessment.

29 The Commission is committed to making further reductions in scale fees of up to 15 per cent for 2012/13.

Future audit arrangements

30 We have previously discussed with you the Government's proposals to abolish the Audit Commission. Current indications are that the timescale for abolition will be from 2012/13. New audit appointment processes, the timetable for implementing them, and any transitional arrangements have yet to be determined and will need to be reflected in legislation.

31 Ministers have also said that the Commission's audit practice is to be transferred into the private sector. This represents an exciting opportunity for us and we are already exploring a number of potential options, including mutualisation as an employee owned practice, and strategic partnering arrangements. Throughout this process we remain committed to providing an excellent service to our clients, offering unrivalled expertise in public audit at a competitive price.

32 Ministers are expected to make a decision in principle on the exact form of the new audit practice during 2011, and we will keep you informed as to future developments.

Other developments and national publications

33 This section of the report promotes some of the national work undertaken by the Audit Commission over the last three months. It highlights various areas of interest, some of which may prompt further consideration by officers and/or members. Where relevant, specific references to the position at the Council are included. The full reports can be found on the Commission's website at:

<http://www.audit-commission.gov.uk/localgov/Pages/default.aspx>

34 Examples of notable practice in local government and other sectors, identified from local work by auditors as well as national studies, are also available on the website.

Challenges faced by Audit Committees

35 On 18 November 2010 the Financial Reporting Council (FRC) published a report to highlight the latest challenges faced by audit committees, including a series of questions that committees might find helpful. Although the report is aimed mainly at the private sector there are also some important messages relevant to public sector bodies:

- the FRC reports some of the recent problems associated with accessing conventional debt markets and organisations hoarding cash. The report stresses the importance of forecasting cash flows accurately and the role that audit committees can play in this important area.
- The FRC has also identified room for improvement in risk management. It comments that some organisations do not prioritise identified risks, and that it is not always clear that risks have been evaluated and taken into account when preparing budgets and financial forecasts.
- We have already briefed the Council's Audit and Governance Committee on our more rigorous approach to the audit of accounting estimates. The FRC states that audit committees may also want to be convinced that key judgements are appropriate.

Protecting the Public Purse: Fighting fraud against local government and local taxpayers

36 Last year England's councils detected around £99 million worth of benefit fraud, over £15 million worth of council tax fraud, and £21 million worth of other types of fraud including false insurance claims, and abuse of the disabled parking 'blue badge' scheme. In addition nearly 1,600 homes illegally occupied have been recovered.

37 In this report the Audit Commission describes what has happened in the field of fraud detection and prevention since 2009 and sets out the findings from its recent fraud survey. It identifies current fraud risks, urges local councils and related bodies to focus on them, and highlights the actions taken by some Councils to tackle fraud. The report provides links to tools to help councils improve their counter-fraud defences.

Delivering more for less: Strategic financial management in local councils

38 The report finds that organisations with a strategic approach to financial management are better able to plan and manage for the medium term, more adaptable and more resilient. The report is intended to stimulate debate and discussion about financial processes and cultures within councils.

39 The report includes self assessment tools and checklists aimed at finance specialists, service managers and elected members.

Housing market renewal

40 Ten Housing Market Renewal Pathfinder projects for housing regeneration have been established in the North and Midlands, between them attracting £3.2 billion of public and private funding. The Audit Commission has been assessing performance since the programme began in 2003.

41 The report looks back at the original objectives and the impact of the programme, and considers how Housing Market Renewal can adapt to stay relevant as local partnerships continue to prioritise spend in the absence of national dedicated funding. Individual reports for each project take a detailed final look at their impact on the local areas.

Managing personal budgets

42 Councils are undergoing a major transition from being providers of adult social care services to becoming providers of personal budgets. This Audit Commission report highlights how some councils will need to make a significant effort to achieve the milestones agreed by the Department of Health, Association of Directors of Adult Social Services and the Local Government Association in 2009.

43 The report examines personal budgets in adult social care and considers the financial management and governance implications for councils. It reviews the approaches to transition from providing services to providing personal budgets, the choices for allocating money, and how councils can plan for the financial implications. It also considers changes in social care commissioning and the governance arrangements needed for personal budgets.

44 It is aimed at finance staff and staff in adult social care departments interested in personal budgets. The report includes a self-assessment checklist to help councils review progress in implementing personal budgets and identify areas for improvement.

Two briefings for the community safety sector

45 Two briefings for community safety partnerships and overview and scrutiny committees build on the messages of the [Sustaining Value for Money in the Police Service report](#) published jointly by the Audit Commission, HMIC and the Wales Audit Office in July 2010.

46 Previous Audit Commission tools have targeted police forces and authorities directly, but these briefings challenge community safety partnerships and their responsible authorities to question how well:

- the police deliver value for money and meet local safety needs; and
- local agencies work together to reduce costs and improve efficiency.

Auditing the accounts 2009/10

47 This report covers:

- auditors' work on the 2009/10 financial statements and value for money conclusions at local councils, fire and police; and
- public interest reports and statutory recommendations issued by auditors since December 2009.

48 The report congratulates seven councils, one police authority and three local government bodies for early publication. There is great interest in financial transparency by public bodies at the moment and early publication of audited accounts is an important contribution to openness and accountability.

49 The report notes that auditors were unable to give opinions on the accounts by 31 October 2010 at seven councils and 11 local government bodies. The report also names two councils where the auditor gave a qualified opinion.

Local government pensions in England

50 The cost of employee pensions is a live issue for both the public and the private sector. People are living longer in retirement age, wage levels have increased, and investments have failed to deliver anticipated returns.

51 The Local Government Pension Scheme in England has 1.7m active members. Nearly three quarters of its members are women and nearly half work part time. But funds currently cover only about three quarters of the expected future liabilities.

52 A recent Audit Commission paper does not make any specific recommendations but contributes to the national debate by highlighting a number of areas for potential consideration. These include:

- raising employee contributions and retirement age;
- adjusting the level of future benefits offered; and
- keeping liabilities in check by controlling wage costs.

If you require a copy of this document in an alternative format or in a language other than English, please call:
0844 798 7070

© Audit Commission 2011.

Design and production by the Audit Commission Publishing Team.

Image copyright © Audit Commission.

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors, members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.



Audit Commission

1st Floor
Millbank Tower
Millbank
London
SW1P 4HQ

Telephone: 0844 798 3131

Fax: 0844 798 2945

Textphone (minicom): 0844 798 2946



Audit and Governance Committee

19 April 2011

Report of the Assistant Director of Customer & Business Support Services
(Financial Services)

Review of the Effectiveness of the System of Internal Audit 2010/11

Summary

1. To advise members of the process for the 2010/11 review of the effectiveness of the council's system of Internal Audit, as part of the review of the overall system of internal control required for the 2010/11 draft Annual Governance Statement (AGS).

Background

Legislative Requirements

2. The Accounts and Audit Regulations 2003, as amended, require each local authority to conduct an annual review of the effectiveness of its system of internal audit, and to report the findings of this review to an appropriate committee. The changes came into effect from 1 April 2006 onwards. The process is intended to form part of the wider review of the effectiveness of the system of internal control which is necessary to prepare the Annual Governance Statement (which is a later item on this agenda).
3. All local authorities have a statutory requirement to make provision for internal audit in accordance with proper standards of professional practice, as set out in the CIPFA Code of Practice for Internal Audit in Local Government. Internal audit is defined as an assurance function that provides an independent and objective opinion to the organisation on the effectiveness of the control environment. As such internal audit forms an essential part of the council's corporate governance arrangements.
4. In line with previous years processes, it is proposed that the annual review of the effectiveness of the system of internal audit for 2010/11 should be undertaken by the Shared Service Contract Board (SSCB) with the process overseen by the chair of the Audit Committee. This will ensure consistency and avoid unnecessary duplication of work by the two Council's client officers.

Options

1. Undertake the review of effectiveness of Internal Audit in line with the recommendation contained in this report.
2. Undertake a different approach to review to be determined by Members.

Analysis

5. Not relevant for the purpose of the report.

Corporate Priorities

6. This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything it does. It also contributes to the improving Effective Organisation corporate priority.

Implications

7. The implications are;
 - **Financial** – there are no financial implications to this report.
 - **Human Resources (HR)** – there are no HR implications to this report.
 - **Equalities** - there are no equalities implications to this report.
 - **Legal** - there are no legal implications to this report
 - **Crime and Disorder** – there are no crime and disorder implications to this report.
 - **Information Technology (IT)** - there are no IT implications to this report.
 - **Property** - there are no property implications to this report.

Risk Management Assessment

8. The Council will fail to comply with the Accounts and Audit Regulations if it does not undertake an annual review of the effectiveness of internal audit, as part of the wider review of the effectiveness of the system of internal control. The Council could be criticised by the external auditor, and this in turn would adversely impact on the Council's CAA score for the Use of Resources.

Recommendation

9. Members are asked agree to a review of Effectiveness of Internal Audit to be undertaken by the Shared Services Contract Board.

Reason

To enable Members to consider the adequacy and effectiveness of the council's control environment.

Contact Details

Author:

Keith Best
Assistant Director of Customer &
Business Support Services(Financial
Services
Tel: 1745

Chief Officer Responsible for the report:

Ian Floyd
Director of Customer & Business Support Services

Report Approved



Date 5.4.10

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers

- Accounts and Audit Regulations 2003
- Accounts and Audit (Amendments) (England) Regulations 2006
- Department of Communities and Local Government (DCLG) – Guidance on the accounts and audit regulations
- CIPFA Rough Guide to the Review of Effectiveness of the System of Internal Control
- CIPFA Code of Practice For Internal Audit in Local Government in United Kingdom 2006

This page is intentionally left blank



Audit & Governance**19 April 2011**

Report of the Director of Customer Business and Support Services

International Financial Reporting Standards (IFRS) Update**Summary**

1. The purpose of this report is to update Members on the progress made to implement the statutory changes required in financial reporting from UK General Accepted Accounting Practice (GAAP) to International Financial Reporting Standards (IFRS).
2. It also includes the changes in the revised Accounts and Audit Regulations 2011.
3. This seventh and final report informs those responsible for governance arrangements of the transition to IFRS implementation and provides assurance that the process continues to be efficiently managed.

Background

4. The statutory requirement for the production of the 2010/11 accounts on a compliant IFRS basis is 30 June 2011. Under IFRS, the change in accounting treatment has necessitated the restatement of the 2008/09 balance sheet, 2009/10 Comprehensive Income & Expenditure Account Statement, 2009/10 Movement In Reserves Statement and 2009/10 balance sheet. These core statements from previous years, which will form part of the 2009/10 Accounts, will be available to the Audit Commission by the end of April 2011.
5. To restate the Accounts the format of the core statements has changed, along with the accounting treatment mainly in the areas of leasing, employee benefits, the fixed asset register, grants and contributions, segmental reporting and provisions. The Audit Commission have confirmed that group Accounts for Veriatu and Yorwaste are not required this year as they are not material and do not add value to the reader of the Accounts.
6. Directorate accountants, Property Services and Corporate Finance have engaged positively with the additional workload requirements. Good team working across departments has remained at a difficult time during the finance restructure, which has added additional pressure. The Accounts are on target to be finalised by 30 June 2011.
7. In the past, it was a requirement under statute, that Members approve the Statement of Accounts by 30 June 2011. However, this year in accordance with the revised Accounts and Audit Regulations 2011, the new regulations have removed the requirement for the Accounts to be formally approved by Audit & Governance Committee before the end of June. Instead, they must be signed by the responsible financial officer– the Director of Customer & Business Support Services - at that date.

8. The drafting of the Annual Governance Statement (AGS) is still required to be completed prior to 30th June and this will ensure that the audit committee review the supporting assurances and the AGS in good time before the final approval of the accounts.
9. CIPFA recommend it is good practice that authorities report the Statement of Accounts to Members after they have been signed by the CFO. This will allow Members to review the Statement of Accounts together with the Annual Governance Statement (AGS) before or during the audit of the Accounts and raise any points that may need to be addressed. In practice this will be in July.
10. The regulations require that the Accounts should be considered and approved by Members and published before 30th September of the year to which they relate.

Consultation

11. The report shows that collaborative working with all Directorates across the authority is positive in assisting the progress in attaining the changes required by IFRS. The council's external auditors – Audit Commission – are updated on the progress on a regular basis. This seventh report also shows that Audit & Governance Members are being regularly updated.

Options

12. It is a statutory requirement to introduce IFRS into local authority accounts for the financial year 2010/11 and adhere to the Accounts and Audit Regulations 2011. No alternative options are available.

Corporate Priorities

13. The Authority will need to comply with IFRS as financial reporting contributes to all areas of the corporate strategy.

Implications

14. The implications are
 - Financial – currently there are no financial implications to this report as the majority of the project work is being undertaken by existing resources in corporate finance and also across Directorates.
 - 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 currently no information technology implications to this report as only current IT available is being utilised.
 - Property –are no property implications to this report
 - Other - there are no other implications to this report

Risk Management

15. There is a risk to the authority if the Statement of Accounts 2010/11 are not in accordance with IFRS requirements and they are not completed by 30 June 2011. It is a statutory obligation, with ultimate government action if there is non-compliance.

Recommendations

16. That Audit & Governance Committee note
 - (i) the progress to convert the Accounts to IFRS contained in this report and recognise the continuing work being undertaken for a smooth transition to IFRS.

(ii) the change in the revised Accounts and Audit Regulations 2011

17. Reason: That those responsible for governance arrangements are updated on a regular basis with all current available information and to ensure that the implementation of IFRS is proceeding in a timely manner for 30 June 2011 implementation.

Contact Details

Author:

Louise Branford-White
 Technical Finance Manager
 01904 551187

Chief Officer responsible for the report:

Keith Best
 Assistant Director of Customer &
 Business Support Services (finance)

Ian Floyd
 Director of Customer & Business Support
 Services
 Report Date 7.4.11
 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

- IFRS information produced by CIPFA
- Supporting documentation for leasing, employee benefits, property plant & equipment, segmental reporting proformas, grant / contribution proformas, skeleton accounts documents, Directorate information, accounting analysis
- CIPFA training course information
- Accounts and Audit Regulations 2011
- CIPFA Better Governance Forum briefing paper for internal auditors and audit committee members

This page is intentionally left blank



Audit and Governance Committee**19 April 2011**Report of the Assistant Director, Financial Services

Internal Audit, Counter Fraud & Information Governance Plan 2011/12

Summary

- 1 The purpose of this report is to seek the committee's approval for the planned programme of audit, counter fraud and information governance work to be undertaken in 2011/12.

Background

- 2 In accordance with the Cipfa Code of Practice for Internal Audit, the annual audit plan is prepared on the basis of the approved audit strategy and a risk assessment process. The risk assessment methodology is designed to ensure that limited audit resources are prioritised towards those systems and areas which are considered to be the most risky and/or which contribute the most to the achievement of the council's corporate priorities and objectives.
- 3 The audit risk assessment is reviewed on an ongoing basis. It is used, along with separate analyses of requirements for counter fraud and information governance work¹, to draw up an indicative plan at the start of each financial year. Consultation on the plan is undertaken with the Audit and Governance Committee, directorate audit leads and management teams, and the Corporate Management Team (CMT). Consultation with the council's external auditor also takes place to ensure there is no duplication of work. Final approval of the plan is the responsibility of the Audit and Governance Committee.

2011/12 Plan

- 4 Annex 1 shows proposed audit, counter fraud and information governance work for 2011/12.
- 5 Many areas of the council are currently facing significant change. Overall, this increases the likelihood that controls in key areas are overlooked or fail, and consequently increases risks to the council. In order to target audit resources effectively in this environment, the 2011/12 plan includes a balance between regularity audits in areas

¹ For example the fraud risk assessment considered by the committee in February.

considered a high priority for audit such as the main financial systems and other reviews targeted towards areas of increased risk due to change. These include:

- time to support change programmes directly by providing advice and support in relation to control issues
- a change in focus for existing audits such as budgetary control and value for money, to concentrate on the achievement of overall council objectives for example by reviewing progress in achieving planned savings.

Consultation

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

Options

- 7 Not relevant for the purpose of the report.

Analysis

- 8 Not relevant for the purpose of the report.

Corporate Priorities

- 9 This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything it does. In doing so it also contributes to the Effective Organisation corporate objective.

Implications

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

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

Risk Management Assessment

- 11 The council will fail to properly comply with the CIPFA Code of Practice for Internal Audit in Local Government if the annual audit plan is not approved by the Audit and Governance Committee.

Recommendation

- 12 Members are asked to
- approve the 2011/12 internal audit, counter fraud and information governance plan.

Reason

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

Contact Details

Author:

Max Thomas
Head of Internal Audit
Veritau Ltd
Telephone: 01904 552940

Chief Officer Responsible for the report:

Keith Best
Assistant Director, Financial Services
Telephone: 01904 551745

Report Approved



Date 6 April 2011

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers

Annexes

Annex 1 – 2011/12 Internal Audit, Counter Fraud & Information Governance Plan

This page is intentionally left blank

**CITY OF YORK COUNCIL
INTERNAL AUDIT AND COUNTER FRAUD
PLAN 2011/12**





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

Annual Plan 2011/12

CONTENTS

- 1 Introduction
- 2 2011/12 Audit Plan
- 3 Corporate & Cross Cutting Audits
- 4 Main Financial Systems
- 5 Directorate Audits
- 6 Counter Fraud & Corruption
- 7 Information Governance
- 8 Other Chargeable Audit Work

**City Of York Council's Audit, Counter Fraud & Information Governance Service****Annual Plan 2011/12****1. INTRODUCTION**

- 1.1 This plan sets out the proposed 2011/12 programme of work for the internal audit, counter fraud, and information governance services provided by Veritau for the City of York Council.
- 1.2 In accordance with proper practice, internal audit is required to prepare an audit plan on at least an annual basis. The plan is based on a risk assessment model that is maintained by internal audit. The council's own risk management systems are also considered in forming a view on what audits to undertake. The audit plan is a working document, and changes are made throughout the year to reflect changes in risk and any issues that arise.
- 1.3 The content of the audit plan is subject to consultation with directors and other senior council officers, and is formally approved by the Audit and Governance Committee. The committee is responsible for monitoring progress against the plan. Changes to the plan are agreed through the council's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the council's external auditors, to ensure that there is no duplication of effort.
- 1.4 Further detail about the audit planning process can be found in the approved audit strategy.

2. 2011/12 AUDIT PLAN

- 2.1 The council is currently experiencing the most significant financial pressures it has faced since its formation in 1996. Major changes are taking place across council services. This increases risk in all areas, including those which would not normally be classed as a high priority for audit in a more stable environment. For example because reductions in resources mean that services can no longer continue to operate controls to the extent that they have historically.
- 2.2 Veritau's priority for the next couple of years will be to help support the council to maintain an effective control environment through these challenging times. To reflect this, the audit plan has been drawn up to provide a balance between regularity audits in areas such as the main financial systems where the volume and value of transactions processed are so significant that regular audit is essential, and other reviews targeted towards areas of increased risk due to change. These audits will include:
 - direct support to change projects, to ensure controls being implemented as part of the project are reasonable



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

Annual Plan 2011/12

- a change in focus for existing audits such as budgetary control and value for money, to focus on the achievement of overall council objectives for example by reviewing progress in achieving planned savings.

2.3 Details of the 2011/12 plan are set out in sections 3 – 8 below.



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

Annual Plan 2011/12

3. CORPORATE & CROSS CUTTING AUDITS

<u>Project</u>	<u>Days</u>
10181 Procurement Cards	10
Support and advice on controls in relation to the corporate roll out of procurement cards, following a pilot exercise in Elderly Persons Homes in 2010/11.	
10260 Information Security Checks	15
A series of unannounced audit visits to council offices to ascertain the extent to which staff are recognising the need to protect sensitive and personal data and information assets e.g. laptops being secured, paper files locked away.	
10380 Data Protection Compliance	15
A review of the process for dealing with subject access requests within the council.	
10530 Environment and Sustainability	15
A review of the council's arrangements to prepare for the purchase of CRC allowances under the CRC Energy Efficiency Scheme, from April 2012.	
10790 Partnership Arrangements	25
The council is currently looking to review and rationalise its partnership arrangements. This allocation of time is to enable internal audit to provide input as required on the control implications of arrangements being developed, along with assurance related work on overall partnership governance and monitoring arrangements.	
11040 Performance Management and Data Quality	45
& 11050	
This will include assurance work in relation to the council's new performance management framework and a review of systems for ensuring that information used internally in managing services, and submitted externally in accordance with national requirements (once the single data list is confirmed), is robust.	
19080 Procurement and Contract Management	50
A review of the arrangements within the council for procuring goods and services. This encompasses a number of separate audits including corporate procurement arrangements and individual reviews of specific procurement exercises and contract related issues. Priorities for audit will be determined in consultation with council officers during the year.	
19090 Budgetary Control - Savings Plans	40
The 2011/12 audit will consider the progress being made by departments across the council to deliver agreed budget savings, and the effectiveness of arrangements to manage risks relating to the budget.	



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

Annual Plan 2011/12

19110	Annual Governance Statement & Governance Support	30
	Advice and support on governance matters and support in preparing the council's Annual Governance Statement.	
19130	Redundancy and Workforce Planning	25
	The audit will consider the extent to which managers are complying with the corporate redundancy process and how redundancies are being identified. The audit will also consider whether priorities for workforce planning have been redefined to reflect the current economic climate.	
19140	Agency Staff	20
	An audit of arrangements for managing temporary staff and consultants. This will include the use of the council's recruitment pool.	
19519	Health & Safety	15
	A review of arrangements for managing health and safety issues. The 2011/12 audit will specifically consider compliance with council requirements for undertaking risk assessments and carrying out health and safety inspections.	
19520	Equalities	15
	Recent audit work in this area has focussed on overall council policy and arrangements. The 2011/12 audit will look at compliance with corporate policies across council departments and services.	
19525	Handling Complaints	15
	A review of new corporate arrangements for handling complaints. This audit was deferred from 2010/11.	
	TOTAL – Corporate & Cross Cutting Audits	335



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

Annual Plan 2011/12

4. MAIN FINANCIAL SYSTEMS

<u>Project</u>		<u>Days</u>
10120	Main Accounting System	25
	A review of the arrangements for managing and maintaining the financial ledger. The audit will include a review of:	
	<ul style="list-style-type: none"> • access and back up arrangements • the integrity and timeliness of data • the processing of journals and virements • reconciling control and suspense accounts • the creation and maintenance of the coding structure • feeder systems • year end processes. 	
10140	VAT Accounting	20
	An audit of systems for ensuring compliance with VAT accounting requirements.	
10150	Treasury Management & Prudential Code	8
	A healthcheck review of the key controls associated with treasury management.	
10180	Ordering and Creditor Payments	30
	A review of the systems for ordering goods and services and processing creditor invoices.	
10190	Debtors	30
	A review of the systems for raising debtor invoices and collecting income, and credit control and debt recovery arrangements.	
10200	Payroll	30
	A review of the systems and controls associated with payroll processing.	
19230	New Payroll & HR Systems	20
	Assurance work and support and advice in relation to the new system. This will include a review of data migration from the existing payroll and HR system, and establishment control.	
10310	Council Tax & NNDR	30
	A review of the systems for calculating Council Tax and NNDR liabilities, and the collection, recording and processing of payments. The audit will also examine debt recovery arrangements.	



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

Annual Plan 2011/12

10320	Council Tax Benefits & Housing Benefits	30
	A review of the systems and processes for paying Council Tax Benefit and Housing Benefit.	
10330	Cashiers and Income Management	20
	A review of overall income management arrangements and the administrative processes for processing payments (eg cash handling controls and security).	
11710	Housing Rents	25
	A review of the systems to collect, record, reconcile and monitor housing rents. The audit will also examine the arrangements for debt recovery.	
	TOTAL – Main Financial Systems	268



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

Annual Plan 2011/12

5. DIRECTORATE AUDITS

<u>Project</u>	<u>Days</u>
10410 Property Income and Lease Management	20
The City Strategy department will be undertaking a review of the arrangements for managing the commercial property portfolio in 2011/12. This allocation of time will be used to undertake audit related work in support of the review. The scope of the audit will be determined in consultation with service managers.	
19020 Administration and Accommodation Review	10
Provision to provide advice and support in relation to the project.	
19230 Community Stadium	20
An audit of the project for developing the Community Stadium.	
19515 Waste PFI	10
Provision to provide advice and support in respect of the project.	
10710 Area Based Working	20
An audit of systems for managing area based working and local funding including the coordination and prioritisation of work, and planning and monitoring arrangements.	
10860 Commercial Waste	20
An audit of systems for the provision of the commercial waste collection service and income collection. A business review is currently being undertaken in this area.	
11280 Fleet, Travel and Transport	20
Provision for providing internal audit support in relation to the review of fleet, travel and transport.	
11700 Housing Allocations	20
A review of risks and controls associated with the change to the new regional choice based lettings system.	
11720 Grants & Adaptations	20
A review of council services in relation to disabled adaptations within homes, private sector housing renewal and the enforcement of housing standards. The audit will include a review of controls over grants and loans.	
11730 Housing Repairs and Maintenance	20
A review of new procedures and controls being introduced as part of the change programme.	



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

Annual Plan 2011/12

11140	Nursery Education Grants	20
	A review of payments to private nursery providers. This includes the audit of registration records at a sample of nursery establishments, to ensure claims for funding are correct.	
11470 & 11510	Charges for Care	30
	A review of the systems used to make payments to care providers, for undertaking financial assessments, and for collecting client contributions.	
11480	Personalisation, Direct Payments, & Individual Budgets	30
	The council's self-directed support programme ("My Life My Choice") was officially launched in August 2010. Since then all new customers, and all existing customers whose support needs are being reviewed, should be offered a personal budget and be given more choice and control over the support they need. This is a significant and wide-ranging programme of change with implications for all areas of adult social care and, as such, carries significant risk. Priorities for audit work in this area will be determined in conjunction with service managers.	
New	Contracting for Care	20
	A review of overall arrangements for procuring care. This is an amalgamation of a number of audits which were previously undertaken separately.	
15698	Financial Management Standard In Schools	20
	A provision to review the implications of the replacement for the Financial Management Standard in Schools that the Department for Education is expected to announce early in the financial year. This allocation of time will also incorporate a review of procedures for reviewing Statements of Internal Control completed by schools.	
15699	Schools	110
	A programme of visits to schools. The audits are undertaken in accordance with a detailed risk assessment.	
TOTAL – Directorate Audits		410



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

Annual Plan 2011/12

6. COUNTER FRAUD & CORRUPTION

<u>Project</u>	<u>Days</u>	
<p>F001 Data Matching</p> <p>Provision to coordinate data submission, check data validity, assess referrals, and investigate potential frauds in relation to:</p> <ul style="list-style-type: none"> • the National Fraud Initiative (NFI) • Housing Benefit Matching Service (HBMS) referrals • local data matching exercises. 	220	
<p>F002 Fraud Detection and Investigation</p> <p>Provision to undertake investigations into suspected fraud, corruption or other wrongdoing. The majority of the work will relate to benefit fraud. Examples of other types of investigation work that may be undertaken include internal fraud, housing tenancy fraud and blue badge fraud. Activities include:</p> <ul style="list-style-type: none"> • recording and risk assessing all referrals • investigation • application of sanctions, and progressing cases to prosecution where appropriate • liaison with the police, DWP and other agencies • proactive, targeted, benefit fraud investigations 	955	
<p>F003 Fraud Awareness</p> <p>Provision to deliver an overall programme of work to raise awareness of fraud issues amongst staff and the public. Activities include:</p> <ul style="list-style-type: none"> • targeted fraud awareness training • launch of an e-learning application • organising counter fraud publicity (both internal and external) 	60	
<p>F004 Other Counter Fraud Related Work</p> <p>Provision to provide other counter fraud and corruption work including:</p> <ul style="list-style-type: none"> • review of council counter fraud arrangements and policies • the provision of support and advice to directorates in relation to fraud issues • reporting on outcomes from counter fraud work. 	70	
<p>TOTAL – Counter Fraud & Corruption</p>	<table border="1" style="margin-left: auto;"> <tr> <td style="padding: 2px 10px;">1,305</td> </tr> </table>	1,305
1,305		



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

Annual Plan 2011/12

7. INFORMATION GOVERNANCE

<u>Project</u>	<u>Days</u>
17440 Data Protection	10
<p>Provision of time to provide advice and support to senior management and directorates to ensure compliance with all aspects of Data Protection legislation.</p>	
17460 Freedom of Information	100
<p>Provision of time to provide a coordinating role to the council in respect of the Freedom of Information Act. This work will include recording and monitoring FOI requests to ensure that responses are adequate and comply with legislation and that all requests are responded to within the 20 day deadline.</p>	
17470 Information Governance Framework	95
<p>A provision of time to lead on the development and implementation of appropriate Information Governance policies and strategies across the council and to implement associated communication and roll out plans designed to ensure that the arrangements in place to manage and protect personal and confidential data are effective. Attendance at Corporate Information Governance Group will be required. There will also be regular meetings with relevant officers to ensure that related HR and IT policies and strategies are co-ordinated and are consistent with each other.</p>	
17480 Information Governance – Compliance	45
<p>A provision of time for Veritau internal auditors to assess the council's compliance with legislation and its Information Governance Policy Framework, and to benchmark the council's position against the Information Assurance and Assessment Maturity Model. This provision of time will also allow for audit input into any suspected breaches of information security.</p>	
TOTAL – Information Governance	250



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

Annual Plan 2011/12

8. OTHER CHARGEABLE AUDIT WORK

<u>Project</u>	<u>Days</u>
10110 Support, Advice & Liaison	65
Provision to provide ongoing advice and support on the design, implementation and operation of appropriate controls and for the overall management of audit work in each department.	
10430 Risk Management	10
Support to corporate risk management processes through the review of risk registers and provision of feedback as part of internal audit work.	
17010 Strategic & Annual Audit Plans	20
Preparation and monitoring of strategic and annual audit plans.	
17030 External Audit Liaison	5
Provision for regular liaison and information sharing with the Audit Commission.	
19000 Contingency Assignments	90
Provision to undertake additional work in response to:	
<ul style="list-style-type: none"> • specific requests from the Chief Finance Officer (S151 Officer), Audit and Governance Committee, or the Assistant Director (Customer Service & Governance) • new or previously unidentified risks which impact on Strategic Audit Plan priorities • significant changes in legislation, systems or service delivery arrangements • requests from customers to audit specific services, systems or activities usually as a result of weaknesses in controls or processes being identified by management • urgent or otherwise unplanned work arising from fraud investigations which identify potential control risks. 	
19001 Provision for Audit Input to Change Projects	100
Provision to provide internal audit support to change programmes across the council, which are not covered by other specific audits set out in this plan. Priorities for audit will be determined in consultation with the Head of Business Change and Performance and other council officers.	
19060 Follow Up Audits	40
Provision to follow up previously agreed audit recommendations.	
19240 Audit and Governance Committee	15
Provision to prepare reports for the Audit and Governance Committee and attend	



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

Annual Plan 2011/12

meetings.

TOTAL – Other Chargeable Audit Work

345

TOTAL CHARGEABLE DAYS 2011/12

2,913



Audit and Governance Committee

19 April 2011

Report of the Assistant Director, Financial Services

Audit, Counter Fraud & Information Governance Monitoring Report

Summary

- 1 This report provides an update on progress made in delivering the internal audit workplan for 2010/11 and on current counter fraud and information governance activity.

Background

- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2003 (as amended) and the CIPFA Code of Practice for Internal Audit in Local Government. In accordance with the code of practice, the 2010/11 audit and fraud plan was approved by the Audit and Governance Committee on 26 April 2010. The plan included a programme of audit reviews, along with details of planned counter fraud and information governance activities.
- 3 It was also recognised that changes might need to be made to the audit plan through the year as a result of new or changed priorities and/or if new risks were identified. To reflect the new contractual relationship between the council and Veritau, all proposed variations to the agreed audit plan arising as a result of emerging issues and/or requests from management are subject to a change control process. Where the variation exceeds 5 days then the change must be authorised by the Assistant Director, Financial Services who is the client manager for the service. All agreed variations will then be communicated to the Audit and Governance Committee for information.

2010/11 Internal Audit Plan – Progress to Date

- 4 Two of the priorities for Veritau are to deliver at least 93% of the audit plan and to ensure that the service continues to operate to recognised professional standards (as determined by the code of practice).
- 5 Internal audit successfully delivered 94.9% of the 2009/10 audit plan. To the end of March 2011, 88.7% of the 2010/11 audit plan had been completed. This figure is based on reports issued and does not take into

account further audit fieldwork which has been completed. The 93% target will be exceeded by the end of April 2011 (the cut off point for 2010/11 audits). Details of the audits completed and reports issued since the last report to this committee (in December 2010) are given in annex 1.

- 6 As noted in paragraph 3 above, it has been necessary to make a number of variations to the audit plan. Details of the audit plan variations approved by the client manager since December are given in annex 2.

Counter Fraud

- 7 Counter fraud work has been undertaken in accordance with the approved plan. Annex 3 provides details of the investigations completed and provides a summary of the work undertaken.

Information Governance

- 8 Support to the council in implementing the government's transparency agenda continues to be a priority. The information governance team is also helping the council to respond to its recent security breach, devise an improvement plan, and help it prevent a recurrence. Also the Corporate Information Governance Group (CIGG) chaired by the Director of CBSS and representing all directorates has begun implementing the Information Governance Strategy, aimed at improving all aspects of the councils management of information but especially aimed at supporting the electronic document management project and the move to the new HQ.
- 9 During the year 723 Freedom of Information requests were received, compared to 551 in 2009/10 (a 31% increase).

Breaches of Financial Regulations

- 10 There have been no significant breaches of the council's financial regulations identified since the last report to this committee in December. However, a number of relatively minor breaches have been noted. Details of these breaches are summarised in annex 4.

Consultation

- 11 Not relevant for the purpose of the report.

Options

- 12 Not relevant for the purpose of the report.

Analysis

- 13 Not relevant for the purpose of the report.

Corporate Priorities

- 14 This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything we do. In doing so it contributes to the corporate objective of making the council an effective organisation.

Implications

- 15 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

- 16 The council will fail to properly comply with the CIPFA Code of Practice for Internal Audit in Local Government if the results of audit work are not reported to those charged with governance.

Recommendation

- 17 Members are asked to:

- (a) Note the progress made in delivering the 2010/11 internal audit work programme, and current counter fraud and information governance activity.

Reason

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

- (b) Note the variations to the 2010/11 audit plan set out in annex 2.

Reason

To enable members to consider the delivery of the internal audit plan.

Contact Details

Author:

Max Thomas
Head of Internal Audit
Veritau Limited
01904 552940

Chief Officer Responsible for the report:

Keith Best
Assistant Director, Financial Services
Telephone: 01904 551745

Report Approved



Date 8/4/11

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers

- 2010/11 Internal Audit & Counter Fraud Plan

Annexes

Annex 1 – 2010/11 Audits Completed and Reports Issued
Annex 2 – Variations to the 2010/11 Audit Plan
Annex 3 – Counter Fraud Activity
Annex 4 – Summary of Breaches of Financial Regulations

2010/11 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.
Moderate	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

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

<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>
2 (Medium)	<p>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.</p> <p>Such issues may require the input at Head of Service</p>	<p>A significant system weakness, whose impact or frequency presents risks to the system objectives, and which needs to be addressed by management.</p>

Priority

Long Definition

Short Definition – for use in Audit Reports

3 (Low)

or senior management level and may result in significantly revised or new controls.

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

16 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
“High Assurance”	5
“Substantial Assurance”	6
“Moderate Assurance”	3
“Limited Assurance”	1
“No Assurance”	0
“Not given”	1

Final Reports Issued

The table below shows audit reports finalised since the last report to this committee in December 2010. In all cases the recommendations made have been accepted by management, and will be followed up by internal audit.

Description	Date Final Report Issued	Opinion	Agreed Actions		Work done / significant weaknesses / issues identified
			Total number	Number which are priority 1	
Wigginton Primary School	17/12/10	High Assurance	4	0	A school establishment audit. No significant issues were found.
Housing Rents	20/12/10	Substantial Assurance	6	0	A number of minor actions to improve recovery procedures were agreed. Other issues related to the need to: <ul style="list-style-type: none"> periodically review accounts with credit balances adopt a more systematic approach to the application of supporting people charges to rent accounts align planned ICT development work with other operational business plans.
Contract Audit - Crichton Avenue Cycling Scheme	23/12/10	Substantial Assurance	3	0	A review of contract letting and management arrangements. Actions were agreed to improve controls for future projects. These related to timetabling the procurement process, maintenance of

Description	Date Final Report Issued	Opinion	Agreed Actions		Work done / significant weaknesses / issues identified
			Total number	Number which are priority 1	
					records, and ensuring that variations are costed at the point they are agreed.
Burnholme Community College	4/1/11	Substantial Assurance	6	0	A school establishment audit. A number of issues were identified. These include the need to improve procedures for ensuring that staff approved to drive the minibus have the appropriate driving licence entitlement, and training.
VAT	6/1/11	None Given	0	0	This was a limited health check review. There were no significant issues identified.
Business Continuity	17/1/11	Moderate Assurance	4	0	This was a cross cutting audit. The main issues identified relate to the need to: <ul style="list-style-type: none"> ensure that responsibilities for continuity planning are clearly defined, and training is provided, where services are undergoing significant change review continuity arrangements in areas where the council depends on key suppliers

Description	Date Final Report Issued	Opinion	Agreed Actions		Work done / significant weaknesses / issues identified
			Total number	Number which are priority 1	
					<ul style="list-style-type: none"> consider ICT continuity risks arising from the move to new administration accommodation (current continuity plans rely on the delivery of services from a number of sites).
Highways Regulation	4/2/11	Substantial Assurance	1	0	One minor issue was identified, and action agreed, in relation to monitoring highway developments.
Poppleton Ousebank Primary School	15/2/11	Substantial Assurance	7	0	As school establishment audit. A number of minor issues were identified.
Budgetary Control	22/2/11	Substantial Assurance	4	0	A review of the council's budget monitoring and management processes. These were generally found to be robust though issues around the consistency of procedures and reporting were identified. New arrangements are being put in place, which will address these issues.
Financial Planning & Budget Setting	22/2/11	High Assurance	1	0	No significant control weaknesses were identified.
Customer Accounts	7/3/11	High	0	0	No significant control weaknesses were

Description	Date Final Report Issued	Opinion	Agreed Actions		Work done / significant weaknesses / issues identified
			Total number	Number which are priority 1	
		Assurance			identified.
Housing & Council Tax Benefits	11/3/11	Substantial Assurance	4	0	Improvements to systems were agreed, to: <ul style="list-style-type: none"> • address relatively high rates of assessment error (training requirements) • tighten up overpayment recovery procedures • ensure the benefits system is regularly reconciled to the main accounting system • ensure system access is removed where no longer required.
Contract Audit – Joseph Rowntree School	25/3/11	Substantial Assurance	1	0	A review of contract letting and management arrangements. One minor issue regarding the selection of criteria for assessing tenders was identified.
Cashiers and Income	31/3/11	High Assurance	0	0	No significant control weaknesses were identified.

Description	Date Final Report Issued	Opinion	Agreed Actions		Work done / significant weaknesses / issues identified
			Total number	Number which are priority 1	
Direct Payments	31/3/11	None Given	3	0	Ongoing audit review of the development of processes and controls around direct payments, and wider self directed care issues. Actions were agreed to address a number of control issues around documentation and ongoing monitoring of direct payments. Further work will be undertaken in 2011/12.

VARIATIONS TO THE 2010/11 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 new 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 Assistant Director, Financial Services as the client manager for internal audit. Any significant variations will then be communicated to the Audit and Governance Committee for information.

2010/11 Audit Plan Variations

The following variations have been approved since the last report to this committee. They represent a net allocation of 19 days to the audit contingency and do not affect overall planned audit days.

Audit	Days	Justification For Change
Deletions from the Audit Plan		
Environment And Sustainability	-13	Audit deferred until 2011/12 - the Government has put back the introduction of Carbon Reduction Commitment Energy Efficiency Allowances until April 2012.
Project Management	-9	Work to be rolled forward into 2011/12 as part of a range of planned project related reviews.
Workforce Planning	-7	Audit deferred to 2011/12 - current arrangements are under review as a result of the significant changes taking place within the council.
	-29	
Additions to the Audit Plan		
Information Security	10	An additional provision to undertake unannounced spot checks in relation to information security arrangements.
	10	

COUNTER FRAUD ACTIVITY 2010/11

The table below shows the total numbers of investigations completed, sanctions applied, and overpayments identified by the counter fraud team to date. The table also shows performance against agreed targets (as at 31 March):

	2010/11 (Actual)	2010/11 (Target)	2009/10 (Actual)
Number of Benefit Fraud referrals received (excluding HBMS). <i>The target is designed to promote fraud awareness and encourage people to report suspected fraud.</i>	456	400 referrals to be received	391
% of referrals which are investigated (excluding HBMS). <i>The target is designed to measure the quality of referrals received and the capacity of the counter fraud team to investigate cases.</i>	52%	60% of referrals investigated	51%
% of investigations completed which result in a positive outcome (benefit stopped or amended, sanction or prosecution). <i>The target is designed to measure the effectiveness of counter fraud activity</i>	62%	25% of those cases which are investigated to result in a positive outcome	35%
Value of fraudulent overpayments identified. <i>The target is designed to measure the effectiveness of counter fraud activity</i>	£390k	£350k of overpayments to be identified	£340k
Number of investigations completed ¹	676	N/A	327
Number of sanctions / prosecutions	53	N/A	44

¹ The increase in investigations completed is largely a result of increased referral of, and processing of, HBMS cases. These are generally high volume, low activity cases although there is some consequent impact on the numbers of cases that require more detailed investigation.

The relevant caseload figures for the period are:

	As at 1/4/10	As at 31/3/11
Awaiting allocation	174	91
Under investigation	237	259

Summary of counter fraud activity:

Activity	Work Completed or in Progress
Data Matching	<p>Data was submitted for the National Fraud Initiative at the beginning of October. The results of the data match have recently been received. They include 4,091 matches of which 1,300 have been flagged as a priority for review by the Audit Commission. The matches will be reviewed by Veritau in 2011/12 and further investigations will be undertaken where necessary.</p> <p>Housing Benefit Matching Service (HBMS) referrals continue to be investigated - the council received 881 HBMS referrals in 2010/11. The total value of benefit overpayments identified through HBMS in 2010/11 is £242k.</p>
Fraud Detection and Investigation	<p>As in previous years, the majority of investigations undertaken relate to benefit fraud.</p> <p>Veritau also undertook the investigation of housing tenancy related fraud through the Operation Red Card initiative. In 2010/11, 93 housing related referrals were received from the public and from council staff – a quarter of these are currently under investigation. Five properties have been recovered from tenants since April 2010. Veritau is currently working with housing officers to develop a longer term framework for investigating housing related fraud.</p>

Activity	Work Completed or in Progress
	<p>Joint working with other teams continues to be a priority. In 2010/11, 34% of sanctions and prosecutions were the result of joint working with the DWP. Other initiatives include a joint exercise with the police and taxi licensing officers involving random checks on Hackney Carriage and private hire drivers.</p> <p>The counter fraud team has continued to undertake other special investigations (including internal fraud) and provide advice to council departments on fraud matters. 18 referrals were received in 2010/11, and a number of investigations are still underway.</p>
Fraud Awareness	<p>Ongoing activity includes publication of successful prosecutions through the local press, other internal and external publicity, and feedback on the results of fraud investigations to council officers to improve the quality of referrals and to put in place appropriate controls to prevent and detect fraud. The team delivered 7 targeted fraud awareness training session in a number of areas including housing benefits, the York Customer Centre, council tax, and financial assessments.</p>

This page is intentionally left blank

ANNEX 4

**SUMMARY OF BREACHES OF FINANCIAL REGULATIONS IDENTIFIED
DURING INTERNAL AUDIT WORK COMPLETED IN THE PERIOD**

Description of Breach	Instances
Contract procedure rules not being followed	1
Waiver not obtained prior to selecting a quotation (which was not the lowest or where less than 3 quotes obtained)	1
Virements not correctly authorised	1
Inventory records not properly maintained or incomplete.	1
Not conducting reconciliation of directorate system to FMS	1

This page is intentionally left blank



Audit and Governance Committee

19 April 2011

Report of the Assistant Director, Financial Services

Follow Up of Audit Recommendations & Agreed Actions

Summary

1. This is the regular six monthly report to the committee setting out progress made by council departments in implementing:
 - actions agreed as part of internal audit work
 - recommendations made by the Audit Commission.

Background

2. Where weaknesses in systems are found by internal audit the auditors discuss and agree a set of actions to address the problem with the responsible manager. The agreed actions include target dates for issues to be dealt with. The auditors carry out follow up work to check that the issue has been resolved, once these target dates are reached. The follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary. Where managers have not taken the action they agreed to, issues are escalated to more senior managers, and ultimately may be referred to the Audit and Governance Committee.
3. A summary of the findings from follow up work is presented to this committee twice a year. The current report covers agreed actions with target dates up to 28 February 2011.
4. The internal audit team also monitors the progress made by the council to implement any recommendations made by the Audit Commission, the council's external auditor. There were no outstanding Audit Commission recommendations requiring follow up by internal audit at the time of this report¹.

¹ Follow up is not undertaken where issues are to be followed up specifically by the Audit Commission, or where they will reviewing progress as part of upcoming or regular reviews.

Consultation

- Details of the findings of follow up work are discussed with the relevant service managers and chief officers.

Follow up of internal audit agreed actions

- A total of 244 actions have been followed up since the last report to this committee. A summary of the priority of these actions is included in figure 1, below.

Figure 1: actions followed up as part of the current review

Priority of actions*	Number of actions followed up
1	12
2	36
3	196
Total	244

The priorities run from 1 (high risk issue) to 3 (lower risk)

- Figure 2 below provides an analysis of the actions which have been followed up, by directorate.

Figure 2: actions followed up by directorate

Priority of actions	Number of actions followed up by directorate				
	Chief Executives	City Strategy	CANS	ACE	CBSS
1 (High)	0	0	4	2	6
2 (Medium)	6	1	6	10	13
3 (Low)	18	1	34	98	45
Total	24	2	44	110	64

- Of the 244 agreed actions 193 (79.1%) had been satisfactorily implemented and 12 (4.9%) were no longer needed².
- In a further 33 cases (13.5%) the action had not been implemented by the target date, but a revised date was agreed. This is done where the delay in addressing an issue will not lead to unacceptable exposure to risk and where, for example, the delays are unavoidable (eg due to unexpected difficulties or where actions are dependent on new systems being implemented). These actions will be followed up after the revised target date and if necessary they will be raised with senior managers in accordance with the escalation procedure. Figure 3 below shows the priority of these actions.

² for example because of other changes to procedures or because the service has ended or changed significantly.

Figure 3: priorities of actions with revised implementation dates

Priority of actions	Number of actions with a revised implementation date
1 (High)	2
2 (Medium)	1
3 (Low)	30
Total	33

10. In six cases (2.5%) it was not possible to assess whether appropriate action had been taken due to the lack of any response from the responsible officer. These issues have now been escalated to a more senior manager.

Conclusions

11. The follow up testing undertaken confirms that in general good progress has been made by council departments to rectify weaknesses in control identified through internal audit work, although there are areas where work is required to address outstanding issues. This is an ongoing process and progress in implementing agreed actions will continue to be monitored and reported as required through the escalation procedure. There are no specific issues that need to be brought to the attention of the Audit and Governance Committee at this time.

Options

12. Not relevant for the purpose of the report.

Analysis

13. Not relevant for the purpose of the report.

Corporate Priorities

14. This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything we do. It also contributes to all the improving organisation effectiveness priorities.

Implications

15. 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

16. The Council will fail to properly comply with the CIPFA Code of Practice for Internal Audit in Local Government if it fails to follow up on audit recommendations and report progress to the appropriate officers and members.

Recommendations

17. Members of the Audit and Governance Committee are asked to:
- consider the progress made in implementing internal audit agreed actions as reported above (paragraphs 6 – 11)

Reason

To enable Members to fulfil their role in providing independent assurance on the council's control environment.

Contact Details

Author:

Max Thomas
Head of Internal Audit
Veritau Ltd
Telephone: 01904 552940

Chief Officer Responsible for the report:

Keith Best
Assistant Director, Financial Services
Telephone: 01904 551745

Report Approved

Date 6 April 2011

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers:

None

Annexes

None



Audit and Governance Committee

19 April 2011

Report of the Assistant Director of CBSS (Financial Services)

Summary of Audit Commission National Reports

Summary

1. This paper gives a brief overview of national reports produced by the Audit Commission (AC), which are all available to view on the Audit Commission website. The last summary, presented to the Audit & Governance Committee in December 2010, covered reports up to 31 October 2010, and the current summary continues from that point up to 30 April 2011. Whilst this report is for information only, it may prompt a request for a more detailed response from council officers, where the content of a specific report may impact on the governance or internal control arrangements of the council.
2. Since the last report was received by this Committee, no new national studies published by the Audit Commission. However there have been two briefing papers on the implementation of IFRS. Summaries of these papers are provided below and the content is also referred to elsewhere on this agenda (*IFRS Update* and *Audit Commission Progress Report*).

Background

Report Summaries

3. **IFRS: Reporting on Operating Segments
(Published October 2010)**

The latest technical briefing paper in the Audit Commission's series on implementing International Financial Reporting Standards (IFRS) in local government is 'Reporting on operating segments: Countdown to IFRS in local government'. The paper covers principles and practical issues that authorities should consider when reporting on operating segments.

4. **The Final Countdown: IFRS in Local Government
(Published March 2011)**

The briefing paper covers IFRS implementation in councils, police authorities and fire and rescue authorities. The paper:

- makes comparisons with an overall assessment taken in November 2009 and July 2010;

- looks at how far authorities have progressed with key steps such as the restatement of 2009/10 accounts;
- highlights the technical aspects of financial reporting that have raised issues for authorities; and
- sets out key actions for authorities at this stage.

The overall message is that even those authorities with issues to resolve still have time to implement IFRS successfully, if they take appropriate action. However, they need to act now, as problems that arise later in the final accounts period may lead to added costs for the authority or material errors in draft accounts.

Consultation

6. The council's corporate Policy Officer has been consulted on the list of reports in this paper.

Options

7. Not relevant for the purpose of the report.

Analysis

8. Not relevant for the purpose of the report.

Corporate Priorities

9. This report contributes to the overall effectiveness of the council's financial, governance and assurance arrangements in the achievement of all its priorities, and in particular the Effective Organisation theme of the Corporate Strategy.

Implications

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

Risk Management

11. By not considering the content of Audit Commission Reports, the council could fail to properly comply with best practice requirements.

Recommendations

12. Members are asked to note the report and comment on any areas for further consideration by the Committee or by officers.

Reason

To ensure that the council can benchmark, learn from and meet best practice requirements derived from external audit national activity and enhance its governance frameworks as a result.

Contact Details

Author:

Helen Malam
Systems Accountant
Tel 01904 551379

Chief Officer Responsible for the report:

Keith Best
Assistant Director – Financial Services
Telephone: 01904 551745

Report Approved

Date 04.04.11

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers:

Audit Commission Reports as follows:

- IFRS: Reporting on Operating Segments
- The Final Countdown: IFRS in Local Government

This page is intentionally left blank