



Notice of a public meeting of Audit & Governance Committee

- To:** Councillors Potter (Chair), Brooks (Vice-Chair), Ayre, Barnes, Burton, Watson, Wiseman and Mr Whiteley (Co-opted Non-Statutory Member)
- Date:** Wednesday, 11 December 2013
- Time:** 5.30 pm
- Venue:** The Auden Room - Ground Floor, West Offices (G047)

AGENDA

1. Declarations of Interest

At this point, Members are asked to declare:

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

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

2. Minutes (Pages 3 - 10)

To approve and sign the minutes of the meeting of the Audit and Governance Committee held on 6 November 2013.

3. Public Participation

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Committee's remit can do so. The deadline for registering is **5:00 pm on Tuesday 10 December 2013**. Members of the public can speak on agenda items or matters within the remit of the Committee.

To register to speak please contact the Democracy Officer for the meeting on the details at the foot of the agenda.

Please note that this meeting, including public speakers, will be sound recorded to allow members of the public to listen to the proceedings without having to attend the meeting. The sound recording will be uploaded onto the Council's website following the meeting.

4. Forward Plan (Pages 11 - 18)

This report presents the future plan of reports expected to be presented to the Committee during the forthcoming year to December 2014.

5. Audit Progress Report from Mazars (Pages 19 - 32)

This report updates Members on progress by Mazars in meeting their responsibilities as external auditor.

6. Project and Programme Management (Pages 33 - 38)

This report outlines the Council's approach to Programme and Project management and provides an update on developments in the application of Programme and Project management methodologies.

7. Community Stadium Project - Risk Management (Pages 39 - 44)

This report outlines the risk management process for risks concerning the Community Stadium Project.

8. Public Participation Scheme (Pages 45 - 48)

This report seeks Members' views on proposed changes to the Public Participation Scheme within the Council's Constitution.

9. Urgent Business

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

Democracy Officer:

Name: Jayne Carr

Contact Details:

Telephone – (01904) 552030

Email – jayne.carr@york.gov.uk

For more information about any of the following please contact the 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.

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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.

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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.**

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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.

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The majority of councillors are not appointed to the Cabinet (39 out of 47). Any 3 non-Cabinet councillors can 'call-in' an item of business following a Cabinet meeting or publication of a Cabinet Member decision. A specially convened Corporate and Scrutiny Management Committee (CSMC) will then make its recommendations to the next scheduled Cabinet meeting, 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

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- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
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<http://democracy.york.gov.uk/ieDocHome.aspx?bcr=1>

City of York Council

Committee Minutes

Meeting	Audit & Governance Committee
Date	6 November 2013
Present	Councillors Potter (Chair), Brooks (Vice-Chair), Ayre, Barnes, Burton and Mr Whiteley (Co-opted Non-Statutory Member)
Apologies	Councillors Watson and Wiseman

Part A - Matters Dealt With Under Delegated Powers

30. Declarations of Interest

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on the agenda. Councillor Barnes declared a personal interest in agenda item 8 (Corporate Risk Monitor 2) in respect of references to the Community Stadium, as he was involved with one of the tenant clubs. He took no part in the discussion on that item.

31. Minutes

Resolved: That the minutes of the meeting of 26 September 2013 be approved and signed by the Chair as a correct record.

32. Public Participation

It was reported that there was one registration to speak at the meeting under the Council's Public Participation Scheme.

Ms Gwen Swinburn raised the following issues:

- In respect of agenda item 5 (Protocol for Webcasting, Filming and Recording of Council Meetings), she stated that she welcomed the introduction of webcasting and hoped that it would be extended to other meetings, for example scrutiny.
- In respect of agenda item 4 (Forward Plan), Ms Swinburn requested that there be an opportunity for citizens to have

input in the work that was taking place in respect of Council Procedure Rules.

33. Forward Plan

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

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

Noting the request that had been made under the item on Public Participation, Members agreed that it would be useful for there to be some input by members of the public in the work that was taking place regarding Council Procedure rules.

- Resolved: (i) That the committee's Forward Plan for the period up to September 2014 be noted.
- (ii) That it be recommended that there be an opportunity for citizen involvement in the work that was taking place to review Council Procedure rules.¹

- Reasons: (i) To ensure the committee receives regular reports in accordance with the functions of an effective audit committee and can seek assurances on any aspect of the Council's internal control environment in accordance with its roles and responsibilities.
- (ii) To seek opportunities for the views of citizens to be taken into account in the review of the procedures.

Action Required

1. Forward the request to those involved in the review of the procedures

AD

34. Protocol for Webcasting, Filming and Recording of Council Meetings

Members considered a report which presented a draft protocol for the Webcasting, Filming and Recording of Council meetings.

The draft protocol incorporated suggestions put forward at the Audit and Governance Committee meeting held on 26 September 2013.

Members suggested minor amendments to the wording of the protocol including:

- Paragraph 7 – amend to read “Chairs have...”
- Paragraph 8 – greater clarity required
- Paragraph 14 – remove the wording “as our webcasts are accessible by people of different ages”
- Paragraph 15 – replace “close-up images” with “identifiable images”

Members expressed their support for the protocol and recommended that it be introduced prior to the next Full Council meeting, subject to the Chair and Vice-Chair being satisfied that the final wording reflected the requested changes put forward by the Committee.

Resolved: That the introduction of the webcasting protocol be supported in principle and the Chief Executive use her delegated powers, in conjunction with the Chair and Vice-Chair, to implement the protocol as soon as possible subject to the minor changes identified above.

Reason: The protocol strikes a balance between allowing webcasting of meetings with the needs of those who either do not wish to be filmed or are young people.

Action Required

1. Finalise the protocol for approval

SH/AD

35. Mazars Draft Annual Audit Letter

Members considered a report which presented the Annual Audit Letter which summarised the 2012/13 audit of the Council.

The Chair expressed her appreciation of the work that officers had carried out and which had been reflected in the key messages outlined on page 3 of the letter from Mazars.

Resolved: That the Annual Audit Letter 2012/13 be noted.

Reason: It is a statutory requirement that the Annual Audit Letter is issued on completion of the audit.

36. Treasury Management mid year Review and Prudential Indicators 2013/14

Members considered a paper that presented the Treasury Management Mid Year Review and Prudential Indicators 2013/14 report. The information provided an update of treasury management activity for the first six months of 2013/14.

Officers went through the report with Members and clarified issues raised.

Resolved: That the Treasury Management Mid Year Review and Prudential Indicators 2013/14 be noted.

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

37. Corporate Risk Monitor 2 (including directorate risks)

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

Members noted the update on the highways risk management which had been provided at their request following efficiency savings which had been made within the Highways departments. Although Members had requested an update to ascertain whether those savings had had a detrimental impact on the numbers of claims received and the number that had been settled, it was acknowledged that sufficient time may not have elapsed to identify whether this was the case.

Members' attention was drawn to the Customer and Business Support Risk report (Annex B of the report).

Some Members expressed their concerns at the implications arising from Key Corporate Risk (KCR) 0016 Capital Programme (Financial Contribution from Tenant Clubs re the Community Stadium). They requested that further information on the risk management process in relation to this project be presented to the Committee.

- Resolved: (i) That the report be noted.
- (ii) That a report on the risk management process in relation to KCR 0016 be presented at the next meeting.

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

38. Internal Audit Follow Up Report

Members considered a report that set out the progress made by council departments in implementing actions agreed as part of internal audit work.

Members noted that the majority of agreed actions had been satisfactorily implemented and that the escalation process had been instigated in only three cases, none of which were priority 1.

Resolved: That the progress made in implementing internal audit agreed actions, as detailed in paragraphs 5-10 of the report, be noted.

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

39. Audit and Counter Fraud Monitoring Report

Members considered a report that provided an update on progress made in delivering the internal audit work plan for 2013/14 and on current counter fraud activity.

Members questioned why problems had arisen in achieving the efficiencies intended in the Purchase to Pay system. Officers explained that progress had been made but that this had not

been at the rate that had been anticipated. This matter was, however, being addressed.

Resolved: That the progress made in delivering the 2013/14 internal audit work programme, and current counter fraud activity be noted.

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

40. Internal Audit Charter

Members considered a report which asked them to review the proposed internal audit charter and approve its adoption.

Members' attention was drawn to Appendix 2 of the report which outlined the relationship between the Audit and Governance Committee and internal audit.

Resolved: That the internal audit charter (annex 1 of the report) be approved.

Reason: In accordance with the responsibility of the committee to consider reports dealing with the management of the internal audit function, and to comply with proper practice for internal audit.

41. Audit and Governance Committee Effectiveness - Action Plan Update

Members considered a report that provided details of the progress made to address the items included in the effectiveness action plan.

Members agreed that it would be useful for training sessions to be arranged on topics related to the work of the committee. It was agreed that a training session on treasury management would be held prior to the commencement of the next meeting. The Chair encouraged Members to email her with suggested topics for other training sessions.

Members also agreed that efforts should be made to recruit a second independent person to the committee.

- Resolved:
- (i) That the progress made to address the items included in the effectiveness action plan (annex 1 of the report) be noted.
 - (ii) That, in consultation with the Chair and Vice-Chair, arrangements be made to hold a series of training sessions for the committee.
 - (iii) That officers, in consultation with the Chair and Vice-Chair, put in place arrangements to seek to appoint a second independent person to the committee.

Reason: To ensure that the Audit and Governance Committee remains effective.

Part B - Matters Referred to Council

42. Review of the Petitions Scheme

Members considered a report that sought their support for changes to the Petitions Scheme which had been in operation for the last three years.

Discussion took place regarding the proposed changes including:

- The inclusion of wording stating that the scheme did not cover petitions which respond to a public consultation organised by the Council. Officers explained that this proposed amendment would remove the situation whereby a petition could trigger a debate at both the consultation stage and then later at the point when the decision was made.
- The deletion of the provision to call an officer to account. Officers confirmed that, although this option was included in the current scheme, it had never been used. There were, however, other mechanisms by which an officer could be held to account.

Members suggested that the final sentence of the first paragraph on Securing a Full Council Debate be amended to read “This means that the issue(s) it raise(s) will be discussed at a meeting which all Councillors can attend and the views will be considered by the relevant decision-makers”.

Members also recommended that petition organisers be provided with the paragraph in the report detailing the action that could be taken if they believed that their petition had not been dealt with properly.

Councillor Ayre proposed and Councillor Brooks seconded that the draft scheme be amended to remove paragraph (c) under the section on petitions not covered by the scheme (i.e. respond to a public consultation organised by the Council). On being put to the vote the motion was lost.

Councillor Ayre then proposed and Councillor Brooks seconded that the draft scheme be amended to reinstate the provision to petition to call officers to account. On being put to the vote the motion was lost.

Recommended: That the revised scheme set out in the annex to the report be adopted as the Council's arrangements for handling petitions subject to the final sentence of the first paragraph on Securing a Full Council Debate being amended to read "This means that the issue(s) it raise(s) will be discussed at a meeting which all Councillors can attend and the views will be considered by the relevant decision-makers".

Reason: To ensure that the Council has clear arrangements in place to deal with petitions.

Councillor Potter, Chair
[The meeting started at 5.30 pm and finished at 7.45 pm].



Audit and Governance Committee11th December 2013

Report of the Director of Customer and Business Support

Audit & Governance Committee Forward Plan to December 2014**Summary**

1. This paper presents the future plan of reports expected to be presented to the Committee during the forthcoming year to December 2014.

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 December 2014. This may be subject to change depending on key internal control and governance developments at the time. A rolling Forward Plan of the Committee will be reported at every meeting reflecting any known changes.
3. There have been a number of amendments to the Forward plan since the previous version was presented to this Committee in November 2013.
4. Following a request from Members at the last Committee meeting, a further update report on the Committee's effectiveness has been added to the Agenda for June 2014.
5. An item on the review of the effectiveness of Internal Audit has been removed from the December agenda as this will be covered under the Annual report of the head of internal audit which is scheduled for the same meeting.
6. Four items have been deferred from December until the next meeting in February, the Mazars' grant claims report, the partnership governance progress report, the business continuity update report and the report on Council Procedure rules.

7. The Annual report of the Audit & Governance Committee has been added to the Agenda for the June meeting.

Consultation

8. 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

9. Not relevant for the purpose of the report.

Analysis

10. Not relevant for the purpose of the report.

Council Plan

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

Implications

12.
 - (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

13. 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

14.
(a) The Committee's Forward Plan for the period up to December 2014 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:

Emma Audrain
Technical Accountant
Customer & Business
Support Services

Chief Officer Responsible for the report:

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

**Report
Approved**



Date 11/12/2013

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 December 2014

Audit & Governance Committee Draft Forward Plan to December 2014

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

- **Committee 12th February 2014**

Partnership Governance Progress Report

Business continuity progress report

Mazars Grant Claims report

Key Corporate Risk Monitor Quarter 3 (Including directorate risks)

Scrutiny of the Treasury Management Strategy Statement and Prudential Indicators

Counter Fraud: Risk Assessment and Review of Policies

Internal Audit Plan Consultation

Preparation of a refreshed constitution – progress update

Report on Council Procedure rules

Review of Scrutiny arrangements

Transparency Report

Mazars reports as per agreed Audit & Inspection plan

Changes to the Constitution (if any)

- **Committee 16th April 2014**

Key Corporate Risk Monitor Quarter 4 (including directorate risks)

Approval of Internal Audit Plan

Internal Audit & Fraud Plan Progress Report

Follow up of Audit Recommendations

Information Governance Annual Report

Preparation of a refreshed constitution – progress update

Information Governance Progress Report, incorporating developments around the Freedom of Information Process

Mazars reports as per agreed Audit & Inspection plan

Changes to the Constitution (if any)

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

Draft Annual Governance Statement

Annual Report of the Audit & Governance Committee

Annual report of the Head of Internal Audit

Audit and Governance Committee Effectiveness – Action Plan Update

Mazars reports as per agreed Audit & Inspection plan

Changes to the Constitution (if any)

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

Draft Statement of Accounts 2013/134

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

Key Corporate Risk Monitor Quarter 1 (Including directorate Risks)

Mazars reports as per agreed Audit & Inspection plan

Changes to the Constitution (if any)

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

Final Statement of Accounts 2013/14

Mazars Annual Governance Report 2013/14

Mazars Annual draft Audit Letter 2013/14

Key Corporate Risk Monitor Quarter 2 (Including directorate risks)

Follow up of Internal & External Audit Recommendations

Internal Audit & Fraud Plan Progress Report

Mazars reports as per agreed Audit & Inspection plan

Changes to the Constitution (if any)

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

Mazars Annual Audit Letter 2013/14

Mazars Grant Claims Report

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

Key Corporate Risk Monitor Quarter 3 (Including directorate risks)

Mazars reports as per agreed Audit & Inspection plan

Changes to the Constitution (if any)

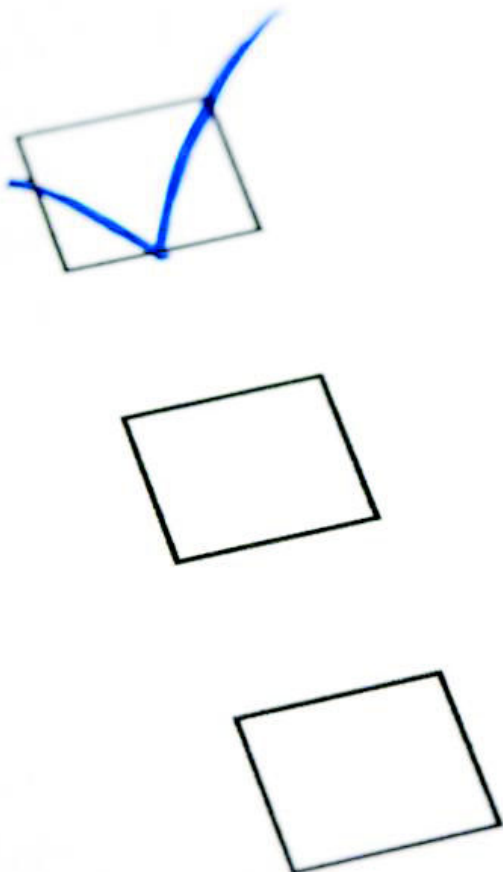
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City of York Council



Audit Progress Report

December 2013



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- 02 Summary of audit progress
- 03 Emerging issues and developments
- 04 Contact details

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

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01

Purpose of this paper



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

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

02

Summary of audit progress



The 2012/13 audit is complete and recent work has focussed on finishing the remaining grant claims that required audit certification by the end of November 2013; the housing and council tax benefits grant claim and the teachers pensions return.

Our attention is now turning to planning for the 2013/14 audit.

Gareth Davies took over from Steve Nicklin as engagement lead for your audit on 1 November 2013. Lynn Worth is retiring at the end of December 2013 and Gavin Barker, Senior Manager, will take over from Lynn as your audit manager. Continuity will be provided in the operational team through David Hurworth, Assistant Manager, who was team leader last year and is familiar with the Council and the issues it faces.

Summary of audit progress

We will begin planning our 2013/14 audit in December, including our initial assessment of what the significant risks are and how we will liaise effectively with the Council. We also plan to carry out our walkthroughs of the key financial systems in the next quarter.

We will present our Audit Strategy Memorandum to the Audit and Governance Committee in April 2014. This document will set out the risks we identify for both the opinion on the financial statements and the value for money conclusion, and our overall approach to the audit.

In February 2014, Mazars will once again provide a workshop for finance staff on accounting and auditing issues relating to the closedown and preparation of the 2013/14 statement of accounts. These workshops have been well received in the past. The Council's officers have attended previously and we hope that they will attend them again. Invitations will be sent out in the near future.

03

Emerging issues and developments



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

- Annual Fraud Indicator Report 2012/13
- A Guide to Forecasting Methods in the Public Sector
- Code of Practice in Local Authority Accounting in the UK: Disclosure Checklist 2013/14 accounts
- Accounting and Auditing Standards: A Public Services Perspective
- Audit Commission consultation on 2014/15 fees
- Charging brings in more income than council tax for one in five councils
- Protecting the Public Purse
- £1.2 billion owed to councils in uncollected business rates
- Audit Commission Value for Money profiles

Emerging issues and developments

Issue / development	Possible action
<p>Annual Fraud Indicator Report 2012/13 In June 2013, the National Fraud Authority published its Annual Fraud Indicator report for 2013. The Report updates the Authority's estimates for fraud in all sectors of the economy, including the public sector. The methodology used in reporting is updated every year, which makes the analysis of trends and the drawing of conclusions difficult, but the report can still make interesting reading.</p>	<p>The report is available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206552/nfa-annual-fraud-indicator-2013.pdf</p>
<p>A Guide to Forecasting Methods in the Public Sector CIPFA have produced a detailed guide to forecasting that describes each of the methods available to councils and their pros and cons. It recognises that robust forecasting is critical to long-term service provision that meets increasing demand within tightening budgets.</p>	<p>Information is available at http://www.cipfa.org/policy-and-guidance/publications/a/a-guide-to-forecasting-methods-in-public-services-book</p>
<p>Code of Practice on Local Authority Accounting in the UK: Disclosure Checklist 2013/14 Accounts CIPFA published the key guidance for the preparation of the 2013/14 accounts in May 2013. This checklist can be used to self-assess compliance with this guidance during the closure process and we will use it as part of our audit of the 2013/14 accounts.</p>	<p>For information only</p>

Emerging issues and developments

Issue / development	Possible action
<p>Accounting and Auditing Standards: a Public Services Perspective</p> <p>CIPFA have updated a 2003 guide to reflect the subsequent adoption of international standards for accounting (IFRS) and auditing (ISAs). These standards are already embedded in the accounts you produce and our audit approach. However, the guide is a useful summary of how these standards apply to local authorities, fire and police bodies. It includes descriptions of the:</p> <ul style="list-style-type: none"> • Key differences between private sector and local authority financial reporting; • Wider responsibilities of public service auditors; and • Role of the various standard setting bodies. 	<p>For information only</p>
<p>Audit Commission consultation on 2014/15 fees</p> <p>The Audit Commission is consulting on its 2014/15 proposed work programme and scales of fees. The proposal is that 2014/15 scale audit fees are set at the same level as the fees applicable for 2013/14, thus locking in the 40 per cent reduction made to fees from 2012/13.</p> <p>The consultation closes on Friday 10 January 2014 and the Commission plans to publish the final work programme and scales of fees for 2014/15 in March 2014. The proposed 2014/15 scale fee for City of York Council is therefore £134,406.</p>	<p>For information only.</p> <p>The report can be found at http://www.audit-commission.gov.uk/audit-regime/audit-fees/proposed-work-programme-and-scales-of-fees-201415/</p>

Emerging issues and developments

Issue / development	Possible action
<p>Charging brings in more income than council tax for one in five councils</p> <p>The Audit Commission has published a briefing drawn from its Value for Money (VFM) Profiles. The briefing presents the Commission's analysis of the £10.2 billion that English councils raised through charging for services in 2011/12.</p> <p>Charging in 2011/12 funded 9 per cent of single-tier and county councils' overall service expenditure, and 20 per cent of district councils. Although nationally the total income from charging was less than half the amount raised through council tax in 2011/12, at the local level it exceeded council tax in one in three (32 per cent) district councils and one in five (21 per cent) London boroughs.</p>	<p>For information only.</p> <p>The report can be found at http://www.audit-commission.gov.uk/2013/09/charging-brings-in-more-income-than-council-tax-for-one-in-five-councils/</p>
<p>Protecting the Public Purse</p> <p>The Audit Commission's annual report on fraud, published in November 2013, highlights that £178 million of fraud was detected by local government in the last year. Just over three quarters of that total was detected by one quarter of councils.</p> <p>The Commission stated "This shows what can be achieved and we encourage all councils to play their part and do as much as they can to detect fraud. If the other 75 per cent of councils had found as much, we would see much higher overall rates of fraud detection".</p>	<p>For information only.</p> <p>The report can be found at http://www.audit-commission.gov.uk/2013/11/councils-find-178m-in-frauds-against-local-government-but-detection-rates-are-patchy/</p>

Emerging issues and developments

Issue / development	Possible action
<p>£1.2 billion owed to councils in uncollected business rates</p> <p>The Audit Commission has published a briefing, drawn from its Value for Money (VFM) Profiles Tool. The briefing presents the Commission's analysis of English councils' collection rates and costs of collecting business rates.</p> <p>It was found that in 2012/13, councils collected £21.9 billion in business rates of £22.4 billion due. Councils collect most business rates in the year they fall due, but business rates arrears are substantial and currently stand at £1.2 billion. In 2012/13, the uncollected in-year amount was £513 million.</p>	<p>For information only.</p> <p>The report can be found at http://www.audit-commission.gov.uk/2013/10/1-2-billion-owed-to-councils-in-uncollected-business-rates/</p>
<p>Audit Commission Value for Money profiles</p> <p>The Audit Commission published its updated VFM profiles on 11 November 2013.</p> <p>The Value for Money (VFM) profiles bring together data about the costs, performance and activity of local councils and fire authorities, displayed under sections that give an overview of the chosen organisation and the services it delivers.</p>	<p>The Council's VFM profile can be viewed and downloaded via the Audit Commission website, by following the links to 'VFM Profile Tools'.</p>

04

Contact details



Gareth Davies Partner and Engagement Lead
gareth.davies@mazars.co.uk
07979 164467

Gavin Barker Senior Manager
gavin.barker@mazars.co.uk
0191 383 6300

Address: Rivergreen Centre
Aykley Heads
Durham
DH1 5TS

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Glossary of Abbreviations used in the report

CIPFA Chartered Institute of Public Finance and Accountancy

IFRS International Financial Reporting Standards

ISAs International Standards for Auditing

VFM Value for Money

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Audit and Governance Committee**11 December 2013**

Report of the Chief Executive

Programmes and Projects**Summary**

1. The purpose of this report is to outline the council's approach to Programme and Project management and to update on developments in the application of Programme and Project management methodologies.

Background

2. As part of the delivery of the council's priorities it has a large portfolio of Programmes and Projects. These vary in scale from multi-million pound programmes that are managed operate at a corporate level, e.g. Accommodation, Access York, EPH review, to small scale projects that are managed within teams.
3. City of York council employ Managing Successful Programmes (MSP) as the framework for the Programmes that steer the strategy and the Project delivery is managed using the Prince2 framework.

Key areas for Programmes and Projects

4. The approach to strengthen Programme and Project delivery within City of York council is centred on sound governance, strong leadership, ensuring benefits are realised, risk management and standardising documentation.
5. **Governance** – the principle focus is the governance of programmes and projects and having robust boards structures in place to ensure decisions are made at the right time. The boards must fit into the general governance hierarchy feeding into the priority boards, which then feeds into Corporate Management Team. In managing projects through these boards experienced managers are assigned who can ensure that the boards function correctly, that vital customer and member input is captured and that outcomes are achieved. In terms of developing the boards, there is a focus on ensuring there is a sound evidence base for discussion and decision

making and that data analysis is performed to ensure there is focus on outcomes. The outcomes and outputs are benchmarked to ensure a sound level of achievement and to validate progress and direction of travel.

6. **Strong leadership on the Programme/project board** – Programmes and Projects are assigned chief officers to lead. The purpose of this is to provide senior leadership on the board and to ensure that decisions are made in a time. Due to its importance, the accommodation board was chaired by a director and five assistant directors were board members (each representing a directorate) and the current chair of the Tour de France project is a director.
7. **Benefits realisation** – Programmes and Projects are being closely aligned with finance to ensure that their deliverables are realistic and robust. Data analysis in this area allows appropriate forecasting to inform decision making and to ensure that the deliverables are achieving the desired outcomes.
8. **Risk management** – this is a familiar concept within City of York Council. Each programme and project has its own risk/issue register, which has a consistent design and method for scoring the risks (likelihood against impact with a maximum score of 20 (most likely, highest impact). Risk registers are designed to operate with all other risk register to ensure there is no duplication and significant risks are placed on the corporate risk register.
9. Each project is now assigned a Quality Assurance role. This role which sits on the project board is responsible for assessing the management of the project. This ensures that the necessary control is applied, the plans are robust and risks are managed correctly.
10. **Programme/project management documents** – Programme and Project documentation is brought together to ensure standardisation. This allows a much easier comparator when assessing the quality of projects. The documentation is also evaluated to assess its quality and how effective it is.

Consultation

11. Consultation has taken place with the finance and the programme and project teams.

Options

12. This report is for information only.

Council Plan

13. The application of programme and project methodologies contribute to the delivery of the priorities set out in the Council Plan (2011-15).

Implications

14. Financial - there are no specific financial implications other than the financial benefits of sound Programme and Project Management which is dealt with in the body of the report.
15. Equalities - there are no specific equality implications to this report, however equalities issues are accounted for during the programme and project planning process.

Recommendations

16. Audit and Governance Committee are asked to :-

Note the actions taken in this report to improve Programme and Project management practice across City of York council.

Reason: To update the committee on the current activity around Programme and Project management practice.

Contact Details

Author:

Dave Atkinson

Transformation lead – Office of the Chief Executive
Telephone: (01904) 553481
Email:
dave.atkinson@york.gov.uk

Chief Officer Responsible for the report:

Kersten England

Chief Executive

Report
Approved



Date 03/12/2013

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers - None

Annex – abbreviations used in the report

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Annex of abbreviations

MSP – Managing Successful Programmes
Prince2 – Project management methodology

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Audit & Governance Committee**11 December 2013**

Joint Report of Director of City and Environmental Services
and Director of Communities and Neighbourhoods

Community Stadium Project – Risk Management Report**Summary**

1. The purpose of this paper is to:
 - Outline the risk management process for risks concerning the Community Stadium Project.

Background

2. The Business Case and budget for the project were noted at Cabinet on 6th March 2012 and approved at Full Council on 30th March 2012. Outline planning permission was given on the 5th July, when the Secretary of State agreed that the decision should be dealt with locally. The 3 month Judicial Review period ended without challenge on the 6th October 2012.
3. An Official Journal of the European Union (OJEU) notice starting the formal procurement activity for the project was posted on the 14th September 2012. A number of bidders submitted proposals to Design, Build Operate and Maintain the stadium and associated buildings. These have been assessed down to a final two.
4. The business case has been developed and updated as the project has progressed. The scope of the project has grown, for example, with the inclusion of the management of the city's leisure management contract. Updates have been reported to Cabinet (November 2012 and a forthcoming paper on 7th January 2014). This is an iterative process that includes changes to the potential funding streams in the project. The requirements of the core tenants have developed as discussions with bidders have progressed and this has impacted on the overall scope and nature of the scheme.

5. Formal dialogue sessions continue with the two remaining bidders and the Invitation to Submit Final Tenders will be posted in February 2014.
6. At the 6 November 2013 Audit & Governance Committee meeting a request was made:
 - *That a report on the risk management process in relation to KCR 0016 be presented at the next meeting.*

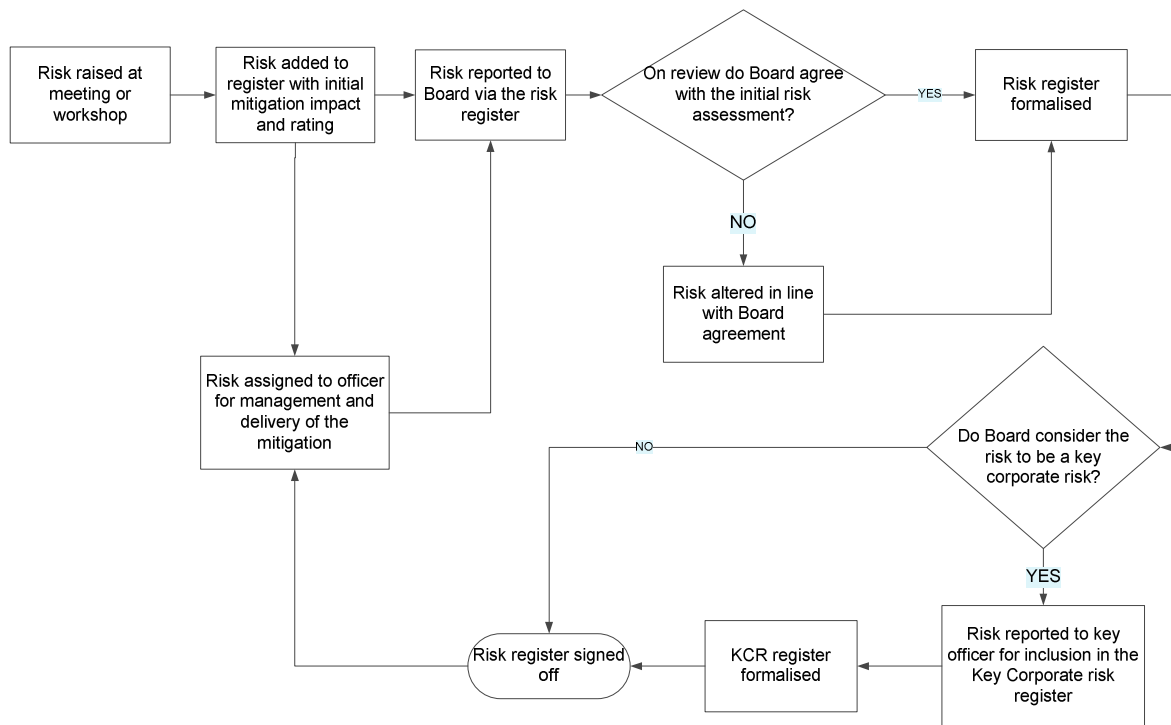
Risk Management Process

7. It is important to note that a risk is something which has not yet occurred but may occur in the future. Risks are rated on the basis of impact and likelihood of the risk occurring. A risk register is a record of all of the risks to a project, regardless of how large or small or of how likely the risk is to occur. Every project should have a formal risk register.
8. The Community Stadium project has a robust risk and issue management system in place that is maintained along Prince II principles. This follows industry best practice and is designed to allow thorough scrutiny of project risks and issues and effective mitigation to be put in place.
9. There is a high degree of commercial sensitivity within the risks and issues recorded in the risk register for the project.
10. The project maintains a comprehensive risk and issue register which includes 67 risks and 8 key issues that cover a broad spectrum of areas of the project. There is also a post contract Risk Register which covers the ongoing risk to the council once the facilities are operational. The registers are reviewed weekly in project team meetings with the mitigations and actions updated and impact ratings altered according to the latest outputs of the project. For comparison the Administration & Accommodation Project incorporating the move to West Offices had circa 100 risks at this point in its project.
11. Risk headings that are covered in the register are:
 - Stadium operations
 - Stadium design and build
 - Procurement Process
 - Project Management
 - Project partners

- Contract management
 - Finance
12. Version control is applied to the register according to Prince II project management principles. Any changes are then reviewed and agreed at the Stadium Project Board.
 13. Risks are highlighted through a variety of routes and added to the register. Mitigation is discussed by the team and an initial score placed against the risk and the net impact following mitigation. Risks are then reported to Board with an impact rating suggested for each.
 14. Critical and High risks are reviewed and discussed and an agreed mitigation and impact assigned once agreed with Board members. A mitigation strategy is then applied to effectively manage the risk ongoing. Any required changes to this are then reviewed and agreed at Board.
 15. A dedicated team member is responsible for this on an ongoing basis and works with all team members and partners to ensure risks are mitigated and managed within acceptable parameters.
 16. Risk 18110.1964 is regarding rental payments from the two sports clubs who will be principal tenants of the new stadium. It is an example of the type of risks the project is actively managing.
 17. Discussions with both clubs are at an advanced stage but legal agreements cannot be signed until all details are agreed regarding the occupancy and day-to-day operation of the stadium. Some of these issues require the input and agreement of the two bidders as part of the final dialogue of the procurement. Those discussions are currently being concluded.
 18. The risk was rated critical as the potential of not reaching agreement would have a high impact, even though the likelihood is considerably lower. Notwithstanding the advanced position in finalising these agreements with both clubs, this risk will remain 'live' until the solution is legally binding and the risk can be legitimately closed down.
 19. Risks are reported to and agreed by the Community Stadium Project Board on a monthly basis. A risk and issue registers are presented with a highlight report identifying any key risks or issues and providing mitigations and ongoing actions. Risk workshops are held on a quarterly basis to review risks within the project or to highlight future risks and identify possible mitigation action to be considered.

20. Key Corporate risks are reported quarterly, as required, to the responsible officers to be included in the key corporate risk register for review by the Audit & Governance committee and responsible senior officers.
21. The risk highlighted is managed in line with these reporting procedures with monthly updates to the Community Stadium Project Board and escalation to the key corporate risk register as required. This risk was first reported as a key corporate risk in July 2013 and was graded as critical impact in September 2013 due to the advanced stage of the procurement exercise. It will likely remain with at least a 'high' rating until the agreements are legally binding.

Risk Management Flow Chart



Implications

22. Financial – none.
23. Human Resources (HR) – none.

24. Equalities – none.
25. Legal – none.
26. Crime and Disorder – none
27. Information Technology – none
28. Property – none.
29. Other – none

Risk and issues

30. There is a risk that ineffective risk management will lead to project costs escalating and leave the Authority unable to implement an affordable scheme. This is mitigated by the risk management procedures outlined in the report.

Recommendations

31. Members are asked to:

Note the contents of the report.

Reason: To ensure Members are aware of the risk management process for risks concerning the Community Stadium Project.

Supporting Annexes

- None

Background papers

- Key Corporate Risk Monitor Two 2013/14 26 September 2013
- Minutes of the Audit & Governance Committee 6 November 2013

Contact details

Authors:	Chief Officer Responsible for the report:				
Tim Atkins Community Stadium Project Manager Telephone: (01904) 551421 Email: tim.atkins@york.gov.uk	Darren Richardson Director City & Environmental Services				
	Report Approved	√	Date 28 November 2013		
	Sally Burns Director Communities & Neighbourhoods				
	Report Approved	√	Date 28 November 2013		
Specialist Implications Officer(s)					
Wards Affected: <i>List wards or tick box to indicate all</i>			<table border="1"> <tr> <td>All</td> <td>√</td> </tr> </table>	All	√
All	√				
For further information please contact the author of the report					

**Audit and Governance Committee**11th December 2013Report of the Monitoring Officer

Public Participation Scheme

Summary

- 1 This report seeks Members' views on proposed changes to the public participation scheme within the Constitution.

Background

- 2 The Council allows members of the public to speak during a public participation session at public meetings of Council, Cabinet and most Committees, task and working groups. This is not a statutory right but one afforded by the Council. The rules relating to this are set out in the procedure rules for Council and Cabinet/Committee meetings and elaborated in the Public Participation Scheme.
- 3 The rules make very little reference to the appropriate content of contributions. The Chair of each meeting does though have a general power at common law to control proceedings and maintain good order. Currently, however, the Council's rules give Chairs minimal guidance on how they should use those powers in relation to citizens using the public participation rights. Similarly citizens are given very little guidance on areas that would be considered unacceptable. To address this gap the Committee is being asked to support the following rules being adopted:
 - a) Participation is to allow members of the public to engage with decision-making and speakers should avoid making party political points.
 - b) Anyone using the public participation rights must ensure that what they say is factually correct.

c) Public participation rights must not be used to:

- Raise an issue which is not a matter for which the City of York Council is responsible for or does not affect the City
- Say anything which is defamatory, frivolous, discriminatory or offensive
- Criticise the conduct or performance of an individual (including a Council officer) who is not in a position to respond at the meeting
- Disclose confidential or exempt information including personal information about an individual other than yourself
- Raise an issue which has been raised in the recent past without good reason

Consultation

- 4 This report is coming to this Committee for consultation prior to it being presented to Council for approval.

Options

- 5 The Committee may express support for the current proposals or suggest amendments or additions.

Analysis

- 6 Not relevant for the purpose of the report.

Corporate Priorities

- 7 This report contributes to the corporate objective of making the Council an effective organisation.

Implications

- 8 **Legal** – the public participation scheme forms part of the Council's current constitution.

Recommendation

- 9 Members are asked to:

Support the proposed amendment to the public participation scheme described in the report and recommend the change to Council

Reason

To ensure that the Council has clear arrangements in place for public participation.

Contact Details

Author and Chief Officer

Responsible for the report:

Andy Docherty

Assistant Director, Governance and

ICT

Telephone: 01904 551004

**Report
Approved**



Date 27/11/13

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers

None

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