

Open

Audit Committee

Agenda

6pm
Monday, 26th November 2018
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Audit Committee

Members of Committee:

Chairman: Councillor H S Williams
Vice-Chairman: Councillor T L Onslow

Councillor N Harris

Councillor A Totty

Councillor K Henderson

Councillor G Webster

Independent Person: Bodrul Zzaman

Information for Members of the Public:

Part I of the Agenda includes items for discussion in public. You have the right to request to inspect copies of Minutes and reports on this Agenda as well as the background documents used in the preparation of these reports.

Part II of the Agenda (if applicable) deals with items of "Exempt Information" for which it is anticipated that the public may be excluded from the meeting and neither reports nor background papers are open to public inspection.

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct ("the Code") requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members' Code of Conduct as set out in Section 14 of this constitution for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI's and ODI's are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council's Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

For further information:

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Margie Plumb, Assistant Committee Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732721 or email margie.plumb@wyreforest.gov.uk

Wyre Forest District Council

Audit Committee

Monday, 26th November 2018

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Appointment of Substitute Members To receive the name of any Councillor who is to act as a substitute, together with the name of the Councillor for whom he/she is acting.	
3.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
4.	Minutes To confirm as a correct record the Minutes of the meeting held on the 30th July 2018.	5
5.	Audit Update Report To receive an audit update from Grant Thornton and introduce the new Engagement Lead.	10
6.	Annual Audit Letter for Wyre Forest District Council – 2017/18 Accounts To receive the Annual Audit Letter from Grant Thornton confirming the findings of the audit of accounts for 2017/18.	22
7.	Internal Audit Monitoring Report Quarter Ended 30th September 2018 To receive a report for the Audit Manager/S151 Officer which informs Members of the Internal Monitoring Report for the quarter ended 30 th September 2018.	32

8.	<p>Quality Assurance Improvement Programme for the Internal Audit Service</p> <p>To receive and note a report from the Corporate Director: Resources and Audit Manager on the progress against the improvement plan in line with the external assessment of the internal audit service against the UK Public Sector Internal Audit Standards.</p>	45
9.	<p>Risk Management</p> <p>To receive a report from the S151 Officer which informs Members of the current Corporate Risk register and the Budget Risk Matrix.</p>	62
10.	<p>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	
11.	<p>Exclusion of the Press and Public</p> <p>To consider passing the following resolution:</p> <p>“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in the paragraph 1 of Part 1 of Schedule 12A to the Act”.</p>	

Part 2

Not open to the Press and Public

12.	<p>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	
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WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY,
KIDDERMINSTER

30TH JULY 2018 (6PM)

Present:

Councillors: H S Williams (Chairman), T L Onslow (Vice-Chairman), N Harris, K Henderson, S Miah and G Webster.

AUD.11 Apologies for Absence

Apologies for absence were received from Councillor A Totty.

AUD.12 Appointment of Substitutes

Councillor S Miah was appointed as a substitute for Councillor Totty.

AUD.13 Observers

Councillor N J Desmond attended as an observer.

AUD.14 Declarations of Interests by Members

No declarations of interest were made.

AUD.15 Minutes

Agreed: The minutes of the meeting held on 30th May 2018 be confirmed as a correct record of the meeting and signed by the Chairman.

The Corporate Director: Resources advised that there had been no interest as yet in the role of the Independent Person for Audit Committee. It was advised that the role would be advertised again but not immediately.

AUD.16 Audit Findings Report for Wyre Forest District Council – 2017/18 Accounts

Grant Thornton (GT) led members through the report which detailed the findings of the audit of accounts for 2017/18. GT highlighted that it was a big challenge to complete the audit by the earlier deadline date and congratulated the team for completing the audit in time. GT advised that there were only very minor changes to the accounts as a result of the audit and no significant risks were highlighted.

Councillor Miah queried the accounting policies and the difference in date and asked GT if it was anything the Committee should be concerned with. GT

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advised it was common practice for authorities to have a valuation done as at 1st April rather than 31st March and isn't a concern this year as the figures are not drastically different. GT did advise that it is something that authorities need to be mindful of in ensuring there is no significant difference with the figures between these two dates. The Principal Accountant confirmed that the necessary reviews were undertaken to confirm that there had been no significant changes to the figures.

Councillor Miah asked if the Committee needed to be concerned about the £76,000 overstatement. GT assured the Committee that this had only been reported to them as it had not been adjusted in the accounts but confirmed that this was quite usual.

Councillor Onslow noted that GT had given an Unqualified Audit Opinion and asked if this meant that the authority was in control of its finances and taking the necessary action to protect the authority for the future. GT advised that the opinion applies to this year only so they are not in a position to give any assurances for future years. However, GT had given a clear value for money opinion and had not found any issues of significant risk.

Councillor Onslow asked for clarification as to what is meant by materiality. GT explained that materiality refers to the level set where it is considered users understanding of the accounts would be affected.

Councillor Onslow asked about how the Heritage Assets overstatement referred to in the GT report had occurred. The Principal Accountant explained that usually figures excluded VAT but some additional figures that were obtained did include VAT and so resulted in the overstatement.

The Chair of the Committee thanked GT for their comprehensive report.

The report was noted by the Committee.

AUD.17 Statement of Accounts 2017/18

The Corporate Director: Resources led members through the report which present the changes that have been required to the Statement of Accounts for 2017/18 following the audit undertaken by Grant Thornton. The wording for the Letter of Representation was also considered for approval.

The Corporate Director: Resources highlighted the welcome under spend which allowed reserves to be boosted. It was highlighted that the authority has a good track record of closing funding gaps successfully and so The Corporate Director: Resources advised she was cautiously optimistic.

The Finance Manager led members through the Pre-Audit Statement of Accounts and highlighted some of the key areas of interest.

Councillor Onslow queried the figures regarding liabilities within the simplified balance sheet within the report and the balance sheet within the statement of accounts. The Principal Accountant provided an explanation with regards to these figures.

Councillor Onslow highlighted that the cemetery is not mentioned in the narrative report and felt it should be mentioned in the future as it was a statutory duty. The Corporate Director: Resources advised that it would be included in the narrative in future accounts.

Councillor Onslow asked for clarification regarding what has changed in the highlighted column on page 38 of the Statement of Accounts. The Principal Accountant confirmed that further explanation had been added to the column.

Councillor Onslow asked about the reserves for Municipal Mutual Insurance Ltd. The Corporate Director: Resources advised that this was a previous insurance company used by the authority and so reserves are held for any potential claims that may come through.

Agreed:

The Revised Statement of Accounts be approved.

The Letter of Representation for 2017/18 as at Appendix 1 be approved.

GT and The Principal Accountant left the meeting at this point (6.34pm)

AUD.18 Internal Audit Monitoring Report Quarter Ended 30th June 2018

The Audit Manager led members through the Internal Audit Monitoring Report for the quarter ended 30th June 2018 which highlighted the work being undertaken by the team.

Councillor Onslow noted that she was glad to see a full assurance but asked about the overpayments in housing benefits and whether this should have impacted on the full assurance. The Audit Manager explained that the full assurance is at a particular point in time looking at a selection of claims, and that the audit report referred to relating to a review of claims for the Local Council Tax Reduction Scheme and with no requirement for any claims to be reassessed, the assurance given is full. The Audit Manager assured the Committee that had the audit findings required a reassessment of any claim this would be reflected in the audit assurance..

Agreed:

The Internal Audit Monitoring Report for the Quarter ended 30th June 2018 as detailed in the Appendix to the report was noted.

AUD.19 Public Sector Internal Audit Standards Internal Audit Charter

The Corporate Director: Resources introduced the report which informed of the updates to the Internal Audit Charter in compliance with the UK Public Sector Internal Audit Standards revised April 2016 and April 2017 and that the Charter had been updated following the outcome of the external assessment of the Council's Internal Audit function as a requirement against the UK Public Sector Internal Audit Standards. The Audit Manager updated members on the

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requirement for the Internal Audit Charter and led members through the key changes drawing to members' attention to the table on page 62 of the report which highlighted the 3 key areas to be amended as identified following the external assessment of the Council's Internal Audit Service. The Audit Manager advised members that the Internal Audit Charter had also been updated to reflect the 2017 changes to the UK Public Sector Internal Audit Standards.

Councillor Miah referred to the list of Core Principles for the Professional Practice of Internal Auditing and asked if this was a list devised by the Audit Manager or if it was from other guidance. The Audit Manager confirmed that the core principles were set out within the Standards as compiled by CIPFA and the Chartered Institute of Internal Auditors.

Councillor Miah asked if the changes to the charter had been reviewed by an external body. The Corporate Director; Resources advised that the results hadn't been looked at externally but assured the Committee that the recommendations of the recent external review were very prescriptive and were reflected in the changes.

Councillor Webster asked who would take responsibility for deciding what changes to the Audit Plan would be reported to the Audit Committee. The Audit Manager advised that the work of the Audit team would be discussed closely with the Corporate Director: Resources and any changes to the Audit Plan would be reviewed in consideration of resources and the standards and significant changes would be reported to the Committee as necessary.

Agreed:

The Audit Committee approved the updated Internal Audit Charter as at Appendix 1 of the report.

Councillor Desmond left the meeting at this point (approximately 6.50pm)

AUD.20 Counter Fraud Arrangements 2018/19

The Corporate Director: Resources introduced the report regarding the Counter Fraud arrangements for 2017/18 and 2018/19. The Audit Manager led members through the report highlighting the outcomes of both the Corporate Fraud Officer and Compliance Officers, and drawing members attention to those national issues affecting the Council around procurement and cyber crime to be included in the rolling anti fraud action plan.

Councillor Onslow highlighted the work that the IT team are doing to stop cyber crime attempts and protect the servers and the data that is held on them. Councillor Onslow requested that the thanks of the Committee be passed on to the IT team for their continued hard work in this area.

Councillor Miah asked if there was sufficient resource and training available for employees regarding this issue. The Audit Manager advised that there is a Fraud page on the intranet and there are regular features in Wyred Weekly. The Corporate Fraud Officer also receives regular updates from the National

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Fraud intelligence Bureau and the National Anti Fraud Network, and where relevant, specific details are e-mailed to relevant officers. Training has also been provided by the Lloyds Bank Fraud Team to Service Managers to raise awareness. The Audit Manager advised that the resource level is currently sufficient but the Corporate Director: Resources did advise that increased resource on a temporary basis would be considered by CLT if a significant issue arose.

Agreed:

The report and rolling anti-fraud action plan was noted.

The meeting ended at 7.02pm.

Audit Progress Report and Sector Update

Wyre Forest District Council
Year ending 31 March 2019

26 November 2018



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Introduction



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This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk ..

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at 13 November 2018

2017/18 Audit

We have completed our audit of the Council's 2017/18 financial statements. Our audit opinion, including our value for money conclusion and certificate of audit closure was issued in July 2018.

We issued:

- An unqualified opinion on the Council's financial statements; and
- An unqualified value for money conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

We have issued all our deliverables for 2017/18 and have concluded our work on the 2017/18 financial year. Our Annual Audit Letter, summarising the outcomes of our audit is included as a separate agenda item.

2018/19 Audit

We have begun our planning processes for the 2018/19 financial year audit.

Our detailed work and audit visits will begin later in the year and we will discuss the timing of these visits with management. In the meantime we will:

- continue to hold regular discussions with management to inform our risk assessment for the 2018/19 financial statements and value for money audits;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that we capture any emerging issues and consider these as part of audit plans.

Other areas

Certification of claims and returns

We are required to certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. This certification work for the 2018/19 claim will be concluded by 30 November 2018.

The results of the certification work are reported to you in our certification letter.

Meetings

We met with Finance Officers in October as part of our quarterly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. We also met with your CLT in October to discuss the Council's strategic priorities and plans and wider sector issues that are relevant locally. Peter also attended the Cabinet Financial Strategy Advisory Panel on 6 November.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

Our annual accounts workshop is expected to take place early in the new year. We will be inviting key members of your finance team to this.

Audit Deliverables

2017/18 Deliverables	Planned Date	Status
<p>Annual Certification Letter</p> <p>This letter reports any matters arising from our certification work carried out under the PSAA contract.</p>	December 2018	Not yet due
<hr/>		
2018/19 Deliverables	Planned Date	Status
<p>Fee Letter</p> <p>Confirming audit fee for 2018/19.</p>	April 2018	Complete
<p>Accounts Audit Plan</p> <p>We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.</p>	January 2019	Not yet due
<p>Interim Audit Findings</p> <p>We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.</p>	March 2019	Not yet due
<p>Audit Findings Report</p> <p>The Audit Findings Report will be reported to the July Audit Committee.</p>	July 2019	Not yet due
<p>Auditors Report</p> <p>This is the opinion on your financial statement, annual governance statement and value for money conclusion.</p>	July 2019	Not yet due
<p>Annual Audit Letter</p> <p>This letter communicates the key issues arising from our work.</p>	August 2019	Not yet due

Sector Update

Local government finances are at a tipping point. Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

Round-up for Audit Committees

The NAO publishes a round up of NAO publications which is intended to help Audit Committees, by outlining the latest NAO resources for governance and oversight, risk management and strategic management issues. It also sets out how to keep in touch with NAO insight on specific issues and/or sectors. It is published each autumn and spring, covering NAO publications over the previous six months.

We have included a link to the publication on page 11.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website

CIPFA consultation – Financial Resilience Index

The Chartered Institute of Public Finance and Accountancy (CIPFA) has consulted on its plans to provide an authoritative measure of local authority financial resilience via a new index. The index, based on publically available information, will provide an assessment of the relative financial health of each English council.

CIPFA has designed the index to provide reassurance to councils who are financially stable and prompt challenge where it may be needed. To understand the sector's views, CIPFA invited all interested parties to respond to questions it put forward in the consultation by the 24 August. The decision to develop an index is driven by CIPFA's desire to support the local government sector as it faces a continued financial challenge. The index will not be a predictive model but a diagnostic tool – designed to identify those councils displaying consistent and comparable features that will highlight good practice, but crucially, also point to areas which are associated with financial failure. The information for each council will show their relative position to other councils of the same type. Use of the index will support councils in identifying areas of weakness and enable them to take action to reduce the risk of financial failure. The index will also provide a transparent and independent analysis based on a sound evidence base.

The proposed approach draws on CIPFA's evidence of the factors associated with financial stress, including:

- running down reserves
- failure to plan and deliver savings in service provision
- shortening medium-term financial planning horizons.
- gaps in saving plans
- departments having unplanned overspends and/or undelivered savings.

Conversations with senior practitioners and sector experts have elicited a number of additional potential factors, including:

- the dependency on external central financing
- the proportion of non-discretionary spending – e.g. social care and capital financing - as a proportion of total expenditure
- an adverse (inadequate) judgement by Ofsted on Children's services
- changes in accounting policies (including a change by the council of their minimum revenue provision)
- poor returns on investments
- low level of confidence in financial management.

The consultation document proposes scoring six key indicators:

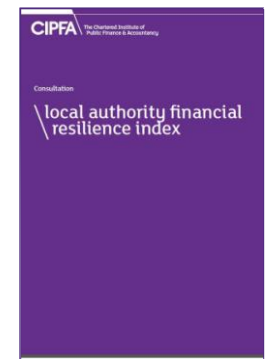
1. The level of total reserves excluding schools and public health as a proportion of net revenue expenditure.
2. The percentage change in reserves, excluding schools and public health, over the past three years.
3. The ratio of government grants to net revenue expenditure.
4. Proportion of net revenue expenditure accounted for by children's social care, adult social care and debt interest payments.
5. Ofsted overall rating for children's social care.
6. Auditor's VFM judgement.

CIPFA is currently considering the responses to the consultation.

CIPFA Consultation

Challenge question:

Is your CFO aware of and actively engaging on debate around these proposals and planning to brief members once an agreed framework for Financial Resilience is in place?



MHCLG – Social Housing Green Paper

The Ministry of Housing, Communities and Local Government (MHCLG) published the Social Housing Green Paper, which seeks views on government’s new vision for social housing providing safe, secure homes that help people get on with their lives.

With 4 million households living in social housing and projections for this to rise annually, it is crucial that MHCLG tackle the issues facing both residents and landlords in social housing.

The Green Paper aims to rebalance the relationship between residents and landlords, tackle stigma and ensure that social housing can be both a stable base that supports people when they need it and also support social mobility. The paper proposes fundamental reform to ensure social homes provide an essential, safe, well managed service for all those who need it.

To shape this Green Paper, residents across the country were asked for their views on social housing. Almost 1,000 tenants shared their views with ministers at 14 events across the country, and over 7,000 people contributed their opinions, issues and concerns online; sharing their thoughts and ideas about social housing,

The Green Paper outlines five principles which will underpin a new, fairer deal for social housing residents:

- Tackling stigma and celebrating thriving communities
- Expanding supply and supporting home ownership
- Effective resolution of complaints
- Empowering residents and strengthening the regulator
- Ensuring homes are safe and decent

Consultation on the Green Paper is now underway, which seeks to provide everyone with an opportunity to submit views on proposals for the future of social housing and ran until 6 November 2018.

The Green Paper presents the opportunity to look afresh at the regulatory framework (which was last reviewed nearly eight years ago). Alongside this, MHCLG have published a Call for Evidence which seeks views on how the current regulatory framework is operating and will inform what regulatory changes are required to deliver regulation that is fit for purpose.

The Green Paper acknowledges that to deliver the social homes required, local authorities will need support to build by:

- allowing them to borrow
- exploring new flexibilities over how to spend Right to Buy receipts
- not requiring them to make a payment in respect of their vacant higher value council homes

As a result of concerns raised by residents, MHCLG has decided not to implement at this time the provisions in the Housing and Planning Act to make fixed term tenancies mandatory for local authority tenants.

The Green Paper is available on the MHCLG’s website at:

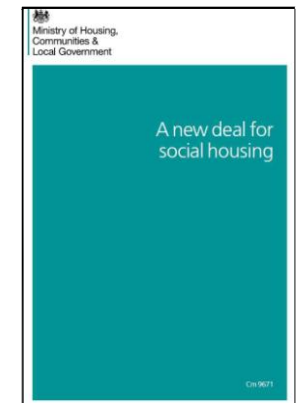
<https://www.gov.uk/government/consultations/a-new-deal-for-social-housing>

Social Housing Green Paper Consultation



Challenge question:

What does the Social Housing Green Paper mean for your local authority?



Institute of Fiscal Studies: Impact of ‘Fair Funding Review’

The IFS has published a paper that focuses on the issues arising in assessing the spending needs of different councils. The government’s ‘Fair Funding Review’ is aimed at designing a new system for allocating funding between councils. It will update and improve methods for estimating councils’ differing abilities to raise revenues and their differing spending needs. The government is looking for the new system to be simple and transparent, but at the same time robust and evidence based.

Accounting for councils’ spending needs

The IFS note that the Review is seeking a less subjective and more transparent approach which is focused on the relationship between spending and needs indicators. However, like any funding system, there will be limitations, for example, any attempt to assess needs will be affected by the MHCLG’s funding policies adopted in the year of data used to estimate the spending needs formula. A key consideration will be the inherently subjective nature of ‘spending needs’ and ‘needs indicators’, and how this will be dealt with under any new funding approach. Whilst no assessment of spending needs can be truly objective, the IFS state it can and should be evidence based.

The IFS also note that transparency will be critical, particularly in relation to the impact that different choices will have for different councils, such as the year of data used and the needs indicators selected. These differentiating factors and their consequences will need to be understood and debated.

Accounting for councils’ revenues

The biggest source of locally-raised revenue for councils is and will continue to be council tax. However, there is significant variation between councils in the amount of council tax raised per person. The IFS identify that a key decision for the Fair Funding Review is the extent to which tax bases or actual revenues should be used for determining funding levels going forward.

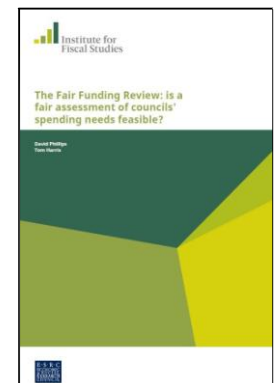
Councils also raise significant sums of money from levying fees and charges, although this varies dramatically across the country. The IFS note that it is difficult to take account of these differences in a new funding system as there is no well-defined measure of revenue raising capacity from sales, fees and charges, unlike council tax where the tax base can be used.

The overall system: redistribution, incentives and transparency

The IFS also identify that an important policy decision for the new system is the extent to which it prioritises redistribution between councils, compared to financial incentives for councils to improve their own socio-economic lot. A system that fully and immediately equalises for differences in assessed spending needs and revenue-raising capacity will help ensure different councils can provide similar standards of public services. However, it would provide little financial incentive for councils to tackle the drivers of spending needs and boost local economics and tax bases.

Further detail on the impact of the fair funding review can be found in the full report

<https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>.



In good company: Latest trends in local authority trading companies

Our recent report looks at trends in LATC's (Local Government Authority Trading Companies). These deliver a wide range of services across the country and range from wholly owned companies to joint ventures, all within the public and private sector.

Outsourcing versus local authority trading companies

The rise of trading companies is, in part, due to the decline in popularity of outsourcing. The majority of outsourced contracts operate successfully, and continue to deliver significant savings. But recent high profile failures, problems with inflexible contracts and poor contract management mean that outsourcing has fallen out of favour. The days of large scale outsourcing of council services has gone.

Advantages of local authority trading companies

- Authorities can keep direct control over their providers
- Opportunities for any profits to be returned to the council
- Provides suitable opportunity to change the local authority terms and conditions, particularly with regard to pensions, can also bring significant reductions in the cost base of the service
- Having a separate company allows the authority to move away from the constraints of the councils decision making processes, becoming more agile and responsive to changes in demand or funding
- Wider powers to trade through the Localism act provide the company with the opportunity to win contracts elsewhere

Choosing the right company model

The most common company models adopted by councils are:

Wholly
owned

Joint
Ventures

Social
Enterprise

Wholly owned companies are common because they allow local authorities to retain the risk and reward. And governance is less complicated. Direct labour organisations such as Cormac and Oxford Direct Services have both transferred out in this way.

JVs have become increasingly popular as a means of leveraging growth. Pioneered by Norse, Corserv and Vertas organisations are developing the model. Alternatively, if there is a social motive rather than a profit one, the social enterprise model is the best option, as it can enable access to grant funding to drive growth.

Getting it right through effective governance

While there are pitfalls in establishing these companies, those that have got it right are: seizing the advantages of a more commercial mind-set, generating revenue, driving efficiencies and improving the quality of services. By developing effective governance they can be more flexible and grow business without micromanagement from the council.

LATC's need to adapt for the future

- LATC's must adapt to developments in the external environment
 - These include possible changes to the public procurement rules after Brexit and new local authority structures. Also responding to an increasingly crowded and competitive market where there could be more mergers and insolvencies.
- Authorities need to be open to different ways of doing things, driving further developments of new trading companies. Relieving pressures on councils to find the most efficient ways of doing more with less in today's austere climate.

Overall, joint ventures can be a viable alternative delivery model for local authorities. Our research indicates that the numbers of joint ventures will continue to rise, and in particular we expect to see others follow examples of successful public-public partnerships.



[Download the report here](#)

Links

Grant Thornton website links

<https://www.grantthornton.co.uk/>

<http://www.grantthornton.co.uk/industries/publicsector>

<https://www.grantthornton.co.uk/en/insights/the-rise-of-local-authority-trading-companies/>

National Audit Office link

<https://www.nao.org.uk/report/round-up-for-audit-committees/>

Ministry of Housing, Communities and Local Government links

<https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728722/BRR_Pilots_19-20_Prospectus.pdf

Institute for Fiscal Studies

<https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>



Annual Audit Letter

Year ending 31 March 2018

Wyre Forest District Council

August 2018



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Appendices

- A Reports issued and fees

Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Wyre Forest District Council (the Council) for the year ended 31 March 2018.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit Committee as those charged with governance in our Audit Findings Report on 30 July 2018.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Our work

Materiality	We determined materiality for the audit of the Council's 2017/18 financial statements to be £963,000, which is 1.8% of the Council's gross revenue expenditure.
Financial Statements opinion	We gave an unqualified opinion on the Council's financial statements on 30 July 2018 .
Whole of Government Accounts (WGA)	We did not perform any detailed work on the Authority's consolidation return as it is below the reporting threshold. This is in line with guidance issued by the NAO.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.
Value for Money arrangements	We are satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 30 July 2018.
Certification of Grants	We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2018. We will report the results of this work to the Audit Committee in our Annual Certification Letter.
Certificate	We certified that we had completed the audit of the 2017/18 accounts of Wyre Forest District Council in accordance with the requirements of the Code of Audit Practice.

Executive Summary

Key messages

Financial statements

2017/18 was the first year that the deadline for accounts production and audit completion came forward. Following a successful trial for earlier closure in 2016/17, draft accounts were required to be presented for audit by the end of May 2018 and our audit completed by the end of July. It is pleasing to report that the Council's finance team coped well with this timetable. The accounts were presented for audit promptly and well supported with working papers. The finance team were very supportive throughout our audit.

There were some changes to disclosures in the accounts in response to our audit, but no changes to the reported financial position.

Value for money conclusion

We carried out an initial risk assessment in January 2018 to consider whether there were any issues that presented a significant risk to our value for money conclusion. We concluded that there were no significant risks in respect of specific areas of proper arrangements using the National Audit Office's guidance. We communicated the findings of our risk assessment in our Audit Plan.

In forming this view we were particularly mindful of the financial challenge that the Council faces. There is a £1.6 million funding gap that the Council needs to close by 2020-21, which it is addressing through savings, increasing its focus on commercialisation, and generating increased and new income streams. As at 31 March 2018 the Council's General Fund working balance was £5.1 million with a further £6.1million earmarked for specific purposes. These balances provide the Council with contingency for unforeseen events and delays in delivering savings or additional income.

We continued our review of relevant documents up to the date of giving our audit report, and did not identify any significant risks where we considered we needed to perform further work.

Working with the Council

During the year we have delivered a number of successful outcomes with you:

- Improving efficiency – we delivered an efficient audit with our on-site visit completed in June, releasing your finance team for other work
- Sharing our insight – we provided regular audit committee updates covering best practice. We also shared our national reports, where relevant.
- Providing training – we provided your teams with training on financial accounts,
- Supporting development – we provided training to your audit committee members.
- Support outside of the audit - we attended your CLT meetings and also the Cabinet Financial Strategy Advisory Panel, to provide an overview of the external financial environment, to support members in their budget setting process

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
August 2018

Audit of the Accounts

Our audit approach

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Council's accounts to be £963,000, which is 1.8% of the Council's gross revenue expenditure. We used this benchmark as, in our view, users of the Council's financial statements are most interested in where the Council has spent its revenue in the year.

We also set a lower level of specific materiality for senior manager remuneration disclosures because we believe these disclosures are of specific interest to the reader of the accounts.

We set a lower threshold of £48,000, above which we reported errors to the Audit Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the Statement of Accounts and the narrative report, annual governance statement to check they are consistent with our understanding of the Council and with the financial statements which we give our opinion.

We carry out our audit in accordance with International Standards on Auditing (ISAs) (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Accounts

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our Audit Plan	How we responded to the risk	Findings and conclusions
<p>1 Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>The Council faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We identified management override of controls as a risk requiring special audit consideration.</p>	<p>We have completed the following audit work in relation to this risk:</p> <ul style="list-style-type: none"> • reviewed accounting estimates, judgements and decisions made by management • tested journal entries • evaluated the rationale for any changes in accounting policies and reviewed unusual significant transactions • reviewed significant related party transactions outside the normal course of business 	<p>Our audit work has not identified any issues in respect of management override of controls.</p>
<p>2 Valuation of pension fund net liability</p> <p>The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.</p> <p>We identified the valuation of the pension fund net liability as a risk requiring special audit consideration.</p>	<p>We have completed the following audit work in relation to this risk:</p> <ul style="list-style-type: none"> • identified the controls put in place by management to ensure that the pension fund liability is not materially misstated. • assessed whether these controls were implemented as expected and whether they were sufficient to mitigate the risk of material misstatement • evaluated the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. • gained an understanding of the basis on which the valuation was carried out • undertook procedures to confirm the reasonableness of the actuarial assumptions made • checked the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report • undertook procedures to ensure that the data sent to actuary was complete and accurate 	<p>The Council made an early payment towards the pension deficit. We considered the accounting entries and reasonableness of the payment. We also discussed the disclosures made in the accounts in relation to this and the prominence given to the matter and the impact within the accounts.</p>

Audit of the Accounts

Audit opinion

We gave an unqualified opinion on the Council's financial statements on 30 July 2018.

Preparation of the accounts

The Council presented us with draft accounts in accordance with the national deadline, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit. There were relatively few matters arising from the audit and few amendments were made to the accounts. Those that were made were presentational and did not impact the primary statements or the reported financial position.

Issues arising from the audit of the accounts

We reported the key issues from our audit to the Council's Audit Committee on 30 July 2018.

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. These were published on the Council's website as part of the Statement of Accounts in line with the national deadline..

Both the Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council. We recommended that the presentation of the financial out-turn is consistent in the Narrative Report, and in the Expenditure and Funding Analysis (EFA) included in the financial statements.

Other statutory powers

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

No matters have come to our attention requiring us to consider using these additional powers.

Certificate of closure of the audit

We are also required to certify that we have completed the audit of the accounts of Wyre Forest District Council in accordance with the requirements of the Code of Audit Practice. We issued our certificate of audit closure on 30 July 2018.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

We carried out an initial risk assessment in January 2018, and communicated in our Audit Plan that we did not consider that there were any significant risks. We used the guidance provided by the National Audit Office to inform that view.

The Council's financial statements and medium term financial plan highlight the financial challenge that Wyre Forest District Council faces. The financial statements refer to the £1.6 million funding gap that the Council needs to close by 2020-21. The Council is addressing the challenge through making savings, increasing its focus on commercialisation, and generating increased and new income streams.

As at 31 March 2018 the Council's General Fund working balance was £5.1 million with a further £6.3million earmarked for specific purposes. These balances provide the Council with contingency for unforeseen events and delays in delivering savings or additional income.

We concluded that the Council does not have a significant risk to its financial resilience in the short to medium term. In forming this view we considered the Council's track record, its focus on future financial planning, and the level of usable reserves.

We continued our review of relevant documents up to the date of giving our audit report, and did not identify any further significant risks where we needed to perform further work.

Overall Value for Money conclusion

We reported that we were satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2018.

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit. There **were no fees for the provision of non audit services.**

Reports issued

Report	Date issued
Audit Plan	Jan 2018
Audit Findings Report	July 2018
Annual Audit Letter	August 2018

Fees for non-audit services

Service	Fees £
Audit related services	Nil
- None	
Non-Audit related services	Nil
- None	

Fees

	Planned £	Actual fees £	2016/17 fees £
Statutory Council audit	48,936	48,936	48,936
Housing Benefit Grant Certification	8,785	Tbc	9,165
Total fees	57,721	tbc	58,101

The planned fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA)



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WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE
26th November 2018

INTERNAL AUDIT MONITORING REPORT
QUARTER ENDED 30TH SEPTEMBER 2018

OPEN	
CABINET MEMBER	Councillor Nathan Desmond
RESPONSIBLE OFFICER	Tracey Southall, Extension 2100 tracey.southall@wyreforestdc.gov.uk
CONTACT OFFICER:	Cheryl Ellerton, Extension 2116 cheryl.ellerton@wyreforestdc.gov.uk
APPENDIX	Appendix 1 Internal Audit Monitoring Report for the Quarter ended 30 th September 2018

1. PURPOSE OF REPORT

- 1.1 To inform members of the Internal Audit Monitoring Report for the Quarter ended 30th September 2018, attached as Appendix 1.

2. RECOMMENDATION

The Audit Committee is asked to CONSIDER:

- 2.1 **The Internal Audit Monitoring Report for the Quarter ended 30th September 2018 as detailed in the Appendix to the report.**

3. BACKGROUND

- 3.1 The management of the authority are obliged to safeguard public funds and use them in a way which provides value for money and thereby best value. An effective internal audit service is vital in helping management to meet these important duties as it is an independent appraisal function for the review of the entire internal control system.
- 3.2 The Audit Committee approved the operational Annual Audit plan 2018~19 in March 2018. This plan takes into account changes in priorities and risk and provides the overall direction for the Internal Audit service working in partnership with the External Auditors to minimise the overall audit cost to the authority.
- 3.3 Actual performance of the Internal Audit service is monitored against the Audit Plan each quarter during the year by way of this quarterly monitoring report to the Audit Committee, Corporate Leadership Team and to the External Auditors.

3.4 The Report attached as an Appendix contains 5 sections which are:

Section 1	Follow up reviews undertaken in the quarter; incorporating recommendations in progress
Section 2	Final Internal Audit Reports issued
Section 3	Draft Internal Audit Reports issued
Section 4	Work In Progress to include draft reports issued following completion of 2018~19 Annual Audit Plan
Section 5	Performance Statistics & Additional Assurance work undertaken

A number of other reviews are currently in progress. To support the work in progress, a summary of **action plans** issued is detailed within section 4 for Member information. In addition to the managed audits, within the audit plan resources are allocated to **consultancy and advice** for which a summary of the requests dealt with by Internal Audit is included within the performance statistics.

- 3.5 The audit reports referred to in the Appendix are those where testing has been undertaken on an element of the internal control environment. It should be noted that the findings are on an **exception basis** i.e. reported if an internal control was found not to be operating satisfactorily, so giving rise to a control weakness and therefore an area for improvement. The findings of audit reviews in the report do not list those internal controls which were found to be operating satisfactorily. This approach has been adopted to enable the output of the review to focus on those areas considered by Internal Audit to require management's attention. The final audit report will recognise those areas of improvement and recommendations promptly actioned during the course of the audit, in order to raise the overall level of assurance given by Internal Audit at the completion of the full review.
- 3.6 The Internal Audit review process is published on the Council's Intranet. This details the process whereby **Draft** internal audit reports arising from audits are forwarded to the respective Corporate Leadership Team member and their nominated service manager(s) for agreement to recommendations and timescales for implementation prior to the preparation of **Final** internal audit reports.
- 3.7 The Internal Audit Charter requires an annual opinion on the Council's internal control environment. This takes into account the findings of the audit reviews that have been undertaken relating to the financial year in question. These findings are taken together and considered in order to give an overall view of the Council's internal control environment, which is reported to the May meeting of the Audit Committee.
- 3.8 The terminology within the reports presented to members is in line with that used by many other Internal Audit Teams of public authorities, private and public companies and external auditors.
- 3.9 Every organisation operates in the real world and errors/omissions/system weaknesses (manual or computerised) are inevitable. Management have to manage these known risks through the use of internal controls.

- 3.10 It may be that an operational decision has been taken by management to accept the risk of the non operation of an internal control. Where Internal Audit is reviewing the area in such an instance the weakness and any associated recommendation would be reported. Management would record within the service's risk register the processes in place to mitigate the risk.
- 3.11 The Corporate Leadership Team have confirmed that action would be taken immediately should an internal audit review report a significant weakness which could lead to a potentially serious issue.

4. KEY ISSUES

- 4.1 Internal Audit make recommendations to management on potential improvements to the internal control environment of the system under review. It is management's responsibility to take the necessary action to implement recommendations as agreed in the final internal audit report.
- 4.2 The Quarterly monitoring report contains details of internal audit reports issued in the quarter together with follow up reviews. The format of internal audit reports has been designed to enable management and members to focus on those areas that Internal Audit wishes to draw to its attention. Following an external review of the Internal Audit Service, presentational changes have been made to the format of the audit briefs and formal reports to evidence the associated corporate risk and those risks considered against expected controls.
- 4.3 The success or otherwise of a service is reported via other dimensions of the Council's Performance Management Framework including regular reports in respect of the Council's performance in delivering the Wyre Forest Forward Programme.
- 4.4 The Internal Audit Team operate in accordance with recognised Internal Audit Standards. Procedures are monitored to ensure that the Internal Audit Team procedures remain compliant.
- 4.5 The Internal Audit Charter requires an annual opinion on the Council's internal control environment. This takes into account the findings of the audit reviews that have been undertaken relating to the financial year in question. These findings are taken together and considered in order to give an overall view of the Council's Internal Control environment, which is reported to the Audit Committee.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising from this report. There may however be financial implications if the audit recommendations made within audit reports are not implemented on a timely basis.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Accounts and Audit Regulations 2015 section 5(1) require that:

“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An Equality Impact Assessment screening has been undertaken and it is considered that there are no discernable impacts on the nine protected characteristics.

8. RISK MANAGEMENT

- 8.1 In order to manage risk, internal controls are used to mitigate and manage the identified risks to an acceptable level. Any weakness in the operation of internal controls therefore impacts directly on the management of risk.
- 8.2 Risk management issues could arise when weaknesses in internal controls are identified during the audit review process and management delay or defer implementation of the recommendations made.
- 8.3 The Internal Audit service is one element of the Council's assurance/internal control framework.
- 8.4 A relevant member of the Internal Audit Team will continue to be involved in future Wyre Forest Forward Systems Thinking reviews to oversee and advise on proposed system changes to ensure Key Controls are not compromised as part of the Consultancy and Advisory role detailed within the Internal Audit Plan.
- 8.5 Key audit risks are now evidenced against expected controls for all internal audit briefs. Whilst this is merely a presentational change as recommended by the external review, it should help to increase focus on risk management issues throughout the delivery of each specific audit review.

9. CONCLUSION

- 9.1 The work undertaken by the Internal Audit Team in the quarter ended 30th September 2018 is reported within Appendix 1. This information is presented to members in accordance with the Internal Audit Charter for the Internal Audit Team.

10. CONSULTEES

- 10.1 Corporate Leadership Team
Cabinet Member for Resources

11. BACKGROUND PAPERS

- 11.1 19th March 2018 ~ Audit Committee ~ Internal Audit Annual Plan 2018~19
30th July 2018 ~ Audit Committee ~ Internal Audit Charter {Updated}
Accounts and Audit Regulations 2015 {SI 234}



INTERNAL AUDIT

INTERNAL AUDIT MONITORING REPORT

**QUARTER ENDED
30th September 2018**

INTERNAL AUDIT
QUARTERLY AUDIT REPORT
QUARTER ENDED 30th September 2018

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 <i>Cheryl Ellerton</i> <i>AUDIT MANAGER</i>	
 <i>Tracey Southall</i> <i>SECTION 151 OFFICER</i>	

26th October 2018

SECTION 1

Quarter Report to the 30th September 2018

Summaries of Follow up Reviews undertaken in the Quarter

KEY	
Assurance Levels	Definition
Full	Robust framework of controls, any recommendations are advisory – provides substantial assurance.
Some	Sufficient framework of controls but some weakness identified – provides adequate assurance.
Limited	Significant lapses/breakdown in individual controls – at least one significant recommendation – provides partial assurance.
Unsound	Significant breakdown in the overall framework of controls with a number of significant recommendations – provides little or no assurance.

TITLE	SYSTEM TYPE <small>K=Key S=Subsidiary</small>	ASSURANCE LEVEL OF FINAL REPORT	IMPLEMENTATION STAGE PER CHIEF OFFICER AND/OR RESPONSIBLE MANAGER AT TIME OF FOLLOW UP REVIEW				Page No.
			No of Recommendations	No of Recommendations Implemented	No of Significant Recommendations	No of Recommendations Implemented	
CYCLICAL AUDIT REVIEWS							
Elections & Electoral Registration 2017~18	K	S	6	2*	0	0	~

***Note To Reader**

The implementation of the remaining recommendations is in progress as advised by the Elections Services Manager. There have been staff changes within the Committee Section, and utilisation of the Executive Support Section has provided the Election Services Manager with additional training commitments. In addition, the Elections Service Manager is working closely with the Finance Team in respect of agreeing fees and recording income for ease of identification within the financial ledger.

SECTION 2

SECTION 1 FINAL AUDIT REPORTS ISSUED FOR THE QUARTER ENDED 30th September 2018		
	ASSURANCE	PAGE
CORE FINANCIAL SYSTEM REVIEWS		
Key Systems (Annual Assurance Reviews)		
2018/19 ~ Accounting & Budgetary Control ~ Budget Setting	F	-
2018/19 ~ Income to Bank ~ Worcestershire HUB	F	-
2018/19 ~ Income to Bank ~ Town Hall	F	-
2018/19 ~ Income to Bank ~ Allpay & ATP Transactions	F	-
2018/19 ~ Income to Bank ~ Bewdley TIC/Museum	F	-
2017/18 & 2018/19 Establishment Validation {Interim Report} ~ Accountancy	F	-

All with **FULL** assurance, so no further details provided.

KEY		
Assurance Level	Description of Assurance Level	What is reported in the Quarterly Audit Report
F = Full	Robust framework of controls, any recommendations are advisory ~ provides substantial assurance.	The title of the review undertaken is reported.
S = Some	Sufficient framework of controls but some weaknesses identified ~ provides adequate assurance.	Summary page of Audit Report together with any significant findings and associated recommendations where appropriate.
L = Limited	Significant lapses/breakdown in individual controls ~ at least on significant weakness ~ provides partial assurance.	Summary page of Audit Report and significant findings and associated recommendations.
U = Unsound	Significant breakdown in the overall framework of controls with a number of significant recommendations ~ provides little or no assurance. A significant internal control is one which is key to the overall framework of controls.	Summary page of Audit Report and significant findings and associated recommendations.

Quarter Report to the 30th September 2018

DRAFT AUDIT REPORTS ISSUED FOR THE QUARTER ENDED 30th September 2018	
TITLE	DATE OF ISSUE
-	-

THERE ARE NO DRAFTS TO REPORT FOR THIS QUARTER. THIS SECTION HAS BEEN LEFT FOR CONTINUITY.

SECTION 4

The following Action Plans have been issued to Service Managers. In addition, the table below shows the status of reviews currently in progress to cover the current on-going testing within the 2018~19 Annual Audit Plan for which formal reports will be presented to the Audit Committee in due course.

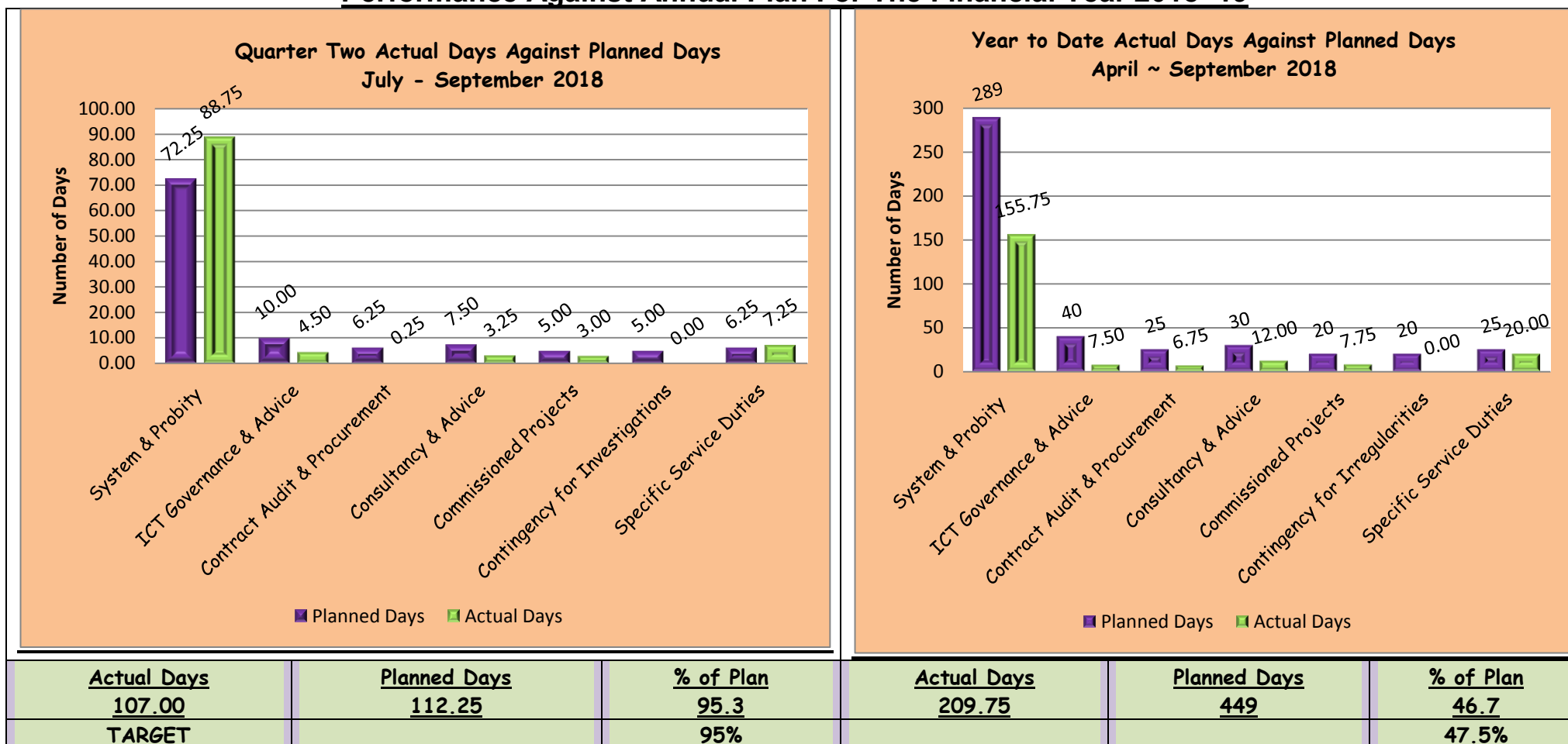
WORK IN PROGRES AS AT 30th September 2018		Status	Action Plans/Progress Report			DATE OF COMPLETION OF FIELD WORK
RISK ASSESSMENT	AUDIT REVIEW	As At 30.09.18	DATE OF ISSUE Action Plan No 1	DATE OF ISSUE Action Plan No 2	DATE OF ISSUE Action Plan No 3	
RA74	<u>Core Financial Systems (Annual Assurance Reviews)~ 2018~19 Annual Audit Plan</u> <u>Accounting Cash To Bank</u> Bank Reconciliation	Stage 3	27.06.18	10.08.18 {Journals}		
RA88	<u>Benefits {Inc Council Tax Discounts (Local Scheme)}</u> Council Tax Reduction {Local Scheme} ~ Compliance Housing Benefit {Allowances} Housing Benefit ~ Overpayment Debtor Accounts ~ Reconciliations	Stage 3 Stage 3 Stage 1	- - -	11.09.18 10.09.18 -		
RA82	<u>Council Tax</u> Ctax Reconciliations ~ {To include Gross Debit 2018/19} Ctax Reconciliations ~ {Valuation Office/Monthly Finance Control} Ctax Compliance/Recovery	Stage 6 Stage 3 Stage 3	28.06.18{FR} 28.06.18 -	- 22.08.18 30.07.18		
RA80	<u>Creditors (Accounts Payable)</u> Creditors {Accounts Payable } ~ Compliance Creditors {Accounts Payable} ~ Reconciliation	Stage 2 Stage 1	- -	- -		
RA89	<u>Debtors (Accounts Receivable)</u> Debtors {Accounts Receivable} ~ Compliance Debtors {Accounts Receivable} ~Reconciliations	Stage 1 Stage 3	- -	- 01.& 24.08.18		
RA71	<u>Establishment</u> Establishment Reconciliation Establishment {Staff Record Forms}	Stage 3 Stage 1	- -	13.09.18 -		
RA84	<u>National Non Domestic Rates</u> NNDR ~ Reconciliations ~ {To include Gross Debit 2018/19} NNDR ~ Reconciliations ~ {Valuation Office/Monthly Finance Control} NNDR ~ Compliance	Stage 6 Stage 3 Stage 3	27.06.18{FR} - -	- 07.08.18 24.09.18		
RA85	<u>Payroll (Including Mileage & Subsistence Claims)</u> Payroll ~ Compliance (WFDC Accountancy Team & RBC Payroll Team)^ ^ Field Work includes Local Government Pension Scheme & Local Pay Award Payroll ~ Reconciliations {WFDC Accountancy Team}	Stage 3 Stage 1	28.06.18 -	10.08 & 13.09.18 -		

KEY

- Stage 1 Field Work In Progress ~ {With Individual Auditor}
- Stage 2 Phases 1 & 2 & 3 Field Work Complete for Peer Review
- Stage 3 Phases 1 & 2 & 3 Field Work Complete with Action Plan/Progress Report to Service Manager
- Stage 4 Audit Complete awaiting review by Audit Manager
- Stage 5 Draft Report Issued
- Stage 6 Final Report Issued {FR}

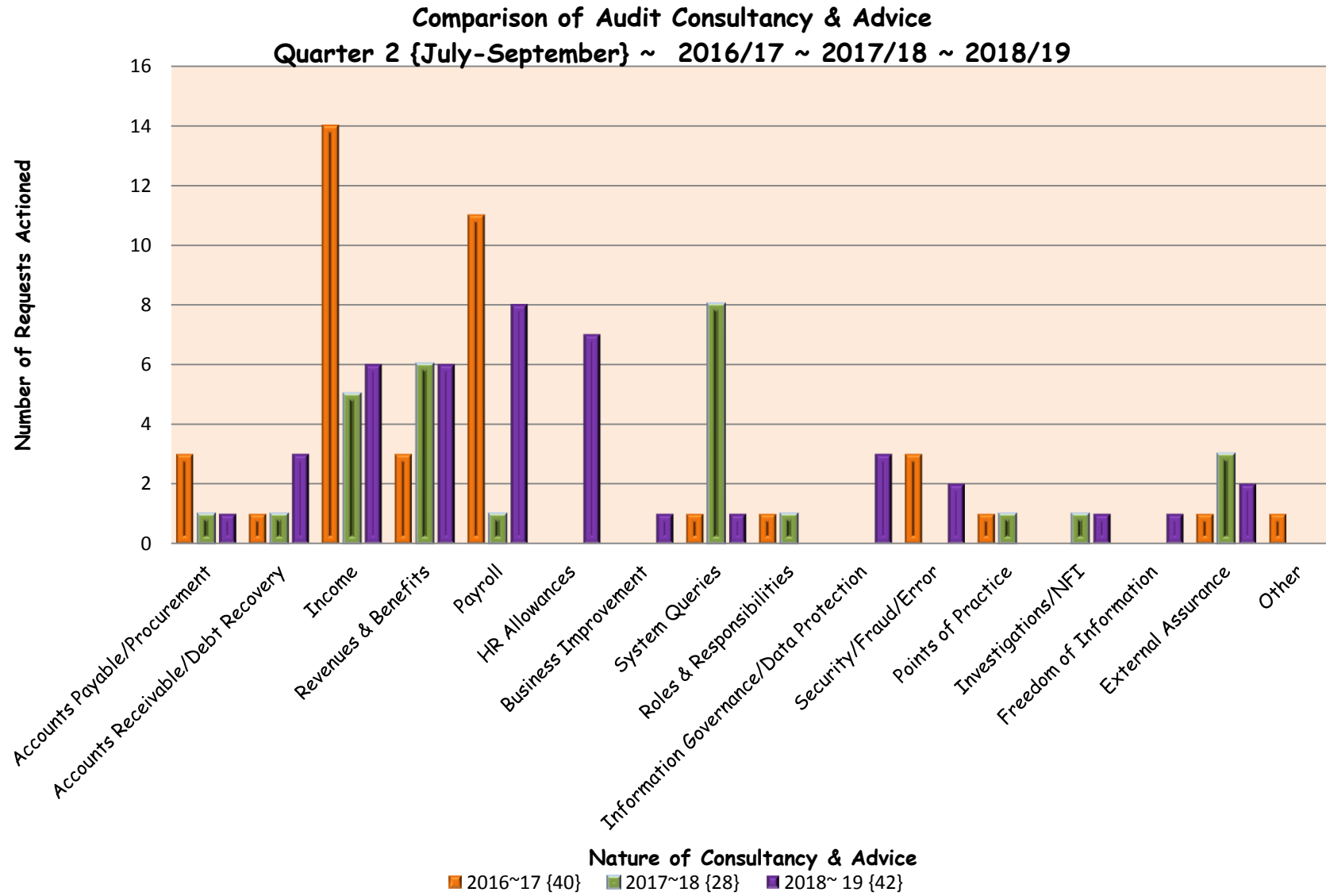
Audit Resource Statistics

Performance Against Annual Plan For The Financial Year 2018~19



For the quarter to 30th September 2018 actual against plan is **95.3%** compared to a target of **95%** {91.5% against **95%** for quarter 30th September 2017}

➔ Within the time allocated in the above table, during this second quarter of 2018~19 the Internal Audit Team have responded to **42** requests for advice and consultancy as categorised in the graph overleaf, in comparison to the **28** requests received and actioned for the same period for 2017~18 and the **40** requests received and actioned for the same period in 2016~17.



Additional Assurance Work Undertaken by Internal Audit

In addition to the planned work detailed above, the Internal Audit Team have also undertaken work in other areas for which a formal report is not issued, however time has been allocated within the 2018~19 Internal Audit Annual Plan approved by the Audit Committee in March 2018 as summarised below:-.

Information Communications Technology (ICT) Governance, Advice & Assistance

- Attend the ICT Strategy Board Meetings.
- Assist the Data and Project Officer in his role as Data Protection {GDPR} Officer for the Council.

Wyre Forest Forward ~ Interventions/Continuous Improvement Work

Members of the Internal Audit Team continue to be involved in Wyre Forest Forward continuous improvement reviews; overseeing and advising on proposed system changes to ensure Key Controls are not compromised. The role of the Audit Team is to ensure that risk is mitigated in the event of proposed changes to current systems and maintain good governance and financial systems resilience.

Commission Consultancy Engagements

During this second quarter, an internal audit review was commenced as a consultancy engagement at the request of the Corporate Director: Resources. The review was assigned to the Senior Auditor in consideration of the UK Public Sector Internal Audit Standards to evidence adding value to current process and procedure changes.

This interim review required an assessment of the system and procedures in place for the payments by corporate procurement cards for homeless accommodation arranged by the Housing Team based at the HUB, following the transfer back in-house for the service from the Community Housing Group.

The review saw an introduction of new procedures by the Principal Housing Strategy Officer for the Housing Team with support from the Customer Services Team to allow for payments for accommodation to be made in a more secure environment away from the open public environment. Advice was provided by the Senior Auditor to ensure all employees are aware of their responsibilities for keeping their corporate procurement cards secure with a number of new procurement cards issued to support service delivery.

WYRE FOREST DISTRICT COUNCIL**AUDIT COMMITTEE**
26th NOVEMBER 2018**PUBLIC SECTOR INTERNAL AUDIT STANDARDS**
QUALITY ASSURANCE IMPROVEMENT PROGRAMME

OPEN	
CABINET MEMBER	Cllr. Nathan Desmond
RESPONSIBLE OFFICER	Tracey Southall, Extension No. 2100 tracey.southall@wyreforestdc.gov.uk
CONTACT OFFICER	Cheryl Ellerton, Extension 2116 cheryl.ellerton@wyreforestdc.gov.uk
APPENDIX	1. Internal Audit Quality Assurance Improvement Programme 2. External Assessment Action Plan Update

1. PURPOSE OF REPORT

The purpose of this report is to update members on those areas where action is required to increase compliance with the UK Public Sector Internal Audit Standards (UKPSIAS). In accordance with the UK Public Sector Internal Audit Standards, Internal Audit is required to maintain a Quality Assurance Improvement Programme. The Quality Assurance Improvement Programme is presented to the Audit Committee for consideration and approval. As part of the Quality Assurance Improvement Programme, the report also provides members with an update in respect of the implementation progress made against the External Assessment.

2. RECOMMENDATIONS

- 2.1 The Audit Committee is asked to APPROVE the Internal Audit Quality Assurance Improvement Programme as attached at Appendix 1.**
- 2.2 The Audit Committee is asked to note the update on the implementation of the actions arising from the External Assessment of the Internal Audit Service as attached at Appendix 2.**

3. BACKGROUND

- 3.1** The work of the Internal Audit Team is undertaken in consideration of the UK Public Sector Internal Audit Standards which came into effect on 1st April 2013. The standards were revised with effect from April 2016, and these changes were noted by the Audit Committee at its meeting of 26th September 2016.
- 3.2** The Standards are mandatory for all internal auditors working in the public sector and the work of the WFDC Internal Audit Team is governed by the UK Public Sector Internal Audit Standards. Further amendments were made to the Standards in 2017 which were mainly minor in nature, but provided for clarification on certain standards by the inclusion of additional text and more detailed interpretation of the standards as

an aide memoir to Chief Audit Executives¹ when assessing service delivery against the standards. There are two additions to the 2017 standards to cover.

- 3.3 Compliance with the UK Public Sector Internal Audit Standards are a requirement of the Accounts and Audit Regulations 2015.

4. KEY ISSUES

- 4.1 The standards require assessments of the Internal Audit Service and these assessments should be internal and external. Internal assessment should be ongoing and periodical. External assessments must be undertaken once every 5 years and be completed by an independent assessor or assessment team.

→A detailed self assessment of the Internal Audit Service was undertaken in June 2014 and the outcome reported and considered by the Audit Committee at its meeting on 30th June 2014.

→A validation of the self assessment exercise formed the basis for the mandatory external assessment undertaken by the independent assessor, Tilia Solutions in February 2018, for which the formal report was noted by the Audit Committee at its meeting of 30th May 2018.

- 4.2 The standards require the Internal Audit Service to set out its quality assurance arrangements in the form of a formal Quality Assurance & Improvement Programme The Quality Assurance & Improvement Programme outlines the basis of both the internal and external review processes and provide for an annual update to the Audit Committee which will be included as part of an Annual Internal Audit Report. The Quality Assurance & Improvement Programme should be approved by the Corporate Leadership Team and the Audit Committee and clearly outline the internal and external assurance mechanisms for the Internal Audit Service.

- 4.3 The proposed Quality Assurance & Improvement Programme for the Internal Audit Team is contained in the attached Appendix 1. As part of the Quality Assurance & Improvement Programme, in addition, Appendix 2 also provides members with a further update in respect of the implementation progress made against the recommendations arising from the mandatory external assessment of the Internal Audit Service.

5. FINANCIAL IMPLICATIONS

- 5.1 The costs of the Internal Audit section are provided for in the Council's approved budget.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The requirement for an internal audit function is contained within Section 151 of the Local Government Act 1972 that requires local authorities to "make arrangements for the proper administration of their financial affairs". The Council has delegated these powers to the Chief Financial Officer as provided in the Council's Constitution.

¹ For WFDC This is the Audit Manager as the recognised Head of Audit

6.2 More specifically the Accounts and Audit Regulations 2015 {2[5]} states that :

“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

7. RISK MANAGEMENT

7.1 The Internal Audit service is one element of the Council’s assurance/internal control framework. This Key Assurance Service objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources and ensures the governance, risk and control frameworks are working effectively. The Quality Assurance & Improvement Programme ensures that the Council complies with best practice as required by the UK Public Sector Internal Audit Standards, providing for an effective, independent and objective Internal Audit Service.

8. EQUALITY IMPACT NEEDS ASSESSMENT

8.1 An Equality Impact Assessment screening has been undertaken and it is considered that there are no discernable impacts on the nine protected characteristics.

9. CONCLUSION

9.1 This Quality Assurance & Improvement Programme outlines the monitoring of performance for the Internal Audit Service and ensures that the Internal Audit Service can demonstrate a commitment to comply with the UK Public Sector Internal Audit Standards by the adoption of best practice.

10. CONSULTEES

10.1 Corporate Leadership Team.

10.2 Cabinet Member for Resources

11. BACKGROUND PAPERS

Accounts and Audit Regulations 2015 (SI 817)

UK Public Sector Internal Audit Standards ~ April 2017

30th May 2018 Audit Committee ~ External Assessment of WFDC Internal Audit Team



APPENDIX 1

INTERNAL AUDIT QUALITY ASSURANCE & IMPROVEMENT PROGRAMME

The UK Public Sector Internal Audit Standards refer to the terms, Chief Audit Executive, the Board and Senior Management. For the purposes of this Quality Assurance Improvement Programme,, the Chief Audit Executive is defined as the Audit Manager (Head of Audit), the “board” as the Audit Committee and “Senior Management” as the Corporate Leadership Team.



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1. INTRODUCTION

- 1.1 The requirement for a Quality Assurance and Improvement Programme is a requirement of the UK Public Sector Internal Audit Standards:

Standard 1300 states that *“The Chief Audit Executive¹ must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity”*.

A quality assurance and improvement programme is designed to enable an evaluation of the internal audit activity’s conformance with the **Standards** and an evaluation of whether internal auditors apply the **Code of Ethics**. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement to include:-

- monitoring of the Internal Audit Activity to ensure it operates effectively and efficiently;
- the Internal Audit Activity complies with the **Standards** and the **Code of Ethics**;
- the Internal Audit Activity adds value.

- 1.2 The quality assurance and improvement programme must include the arrangements for both internal and external assessments {Attribute Standard 1310}.
- 1.3 The Audit Manager is responsible for the Quality Assurance and Improvement Programme, however, all members of the Internal Audit Team have responsibility for maintaining quality.
- 1.4 The outcomes of both the on-going internal and external assessments will be formally reported to the Audit Committee.

¹ For WFDC the role of the Chief Audit Executive as defined in the UKPSIAS is fulfilled by the Audit Manager



2 INTERNAL ASSESSMENTS {Attribute Standard 1311}

In accordance with the standards, Internal assessments are undertaken through both on-going and periodic reviews:-

2.1 On-going monitoring of the performance of the internal audit activity. This is an integral part of the day-to-day supervision, review and measurement of the internal audit activity. It should be incorporated into the routine policies and practices used to manage the internal audit activity and evaluate conformance with the **Code of Ethics** and the **Standards**. On going assessments of quality re undertaken by:-

- ➔ Management supervision of all assignments/engagements to include regular team meetings to monitor progress;
- ➔ Structured peer review of working papers and draft reports to ensure that:-
 - ❖ Audit files are complete and in line with the approved structure;
 - ❖ The objectives of the audit have been achieved;
 - ❖ Substantive testing has been undertaken to ensure the observations and conclusion are sound and supported by reliable evidence.
- ➔ Review and approval of final reports, recommendations and levels of assurance by the Audit Manager to ensure that the report is accurate, objective, constructive and timely;
- ➔ Feed back from audit clients by completion of an end of audit satisfaction questionnaire to obtain feedback on the performance of the auditor and how the audit was received;
- ➔ Monitoring of internal performance targets and annual reporting to the Audit Committee to include:-
 - ❖ Progress against the plan in terms of audit days achieved;
 - ❖ Detail of reports issued during the period to include the audit opinion and level of assurance for the control environment;
 - ❖ Detail of work in progress for the current audit plan.

2.2 Periodic self-assessments or assessments by others within the organisation with sufficient knowledge of internal audit practices. Sufficient knowledge of internal audit practices requires at least an understanding of all element of the international Practices Framework. The Internal Audit Team operate in accordance with an Audit Charter which mandates compliance with the **Standards** and **Code of Ethics**. The periodic assessments are designed and conducted to evaluate conformance with both by:-

- ➔ Quarterly Progress Reports to the Audit Committee which includes progress against the approved Audit Plan, reports issued during the quarter providing for an audit opinion and overview of the work completed and matters arising, on-going work in progress and detailed of both ad-hoc and structured consultancy engagements.



Agenda Item No. 8 Appendix 1

→ Annual assessment of conformance with the UK Public Sector Internal Audit Standards, to include the requirements of the Quality Assessment and Improvement Programme to the Corporate Leadership Team and Audit Committee.

- 2.3 The outcome of the periodic self assessments to include areas of non or partial compliance with the UK Public Sector Internal Audit Standards will be reported to the Audit Committee in the Internal Audit Annual Report.

3. EXTERNAL ASSESSMENTS {Attribute Standard 1312}

- 3.1 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation to ensure continued application of the UK Public Sector Internal Audit Standards.

- 3.2 The process will provide for an independent opinion in respect of Internal Audit's conformance with the **Standards** and **Code of Ethics**:-

→ External assessments may be accomplished by either a full external assessment or a self-assessment with independent external validation.

→ The Section 151 Officer will act as the sponsor to agree the scope and nature of the external review with the Audit Manager.

→ The appointment of the External Assessor, nature and scope of the external assessment will be endorsed by the Audit Committee.

- 3.3 The aim of the external assessment is to aid on going improvement and can be in the form of a full external assessment or and independent external validation of the self-assessment.

→ A full assessment will encompass an assessor or assessment team undertaking a full review against each of the standards attributes and include:-

- ❖ A review of audit documents to understand the reporting methodology to include, the Audit Charter, Audit Manual, Audit Plan and Committee Reports
- ❖ A review of audit files to include working papers
- ❖ On site interviews with key personnel to include not only the audit team but also the Corporate Director: Resources as S151 Officer, the Monitoring Officer, Chair of Audit Committee and a selection of auditees
- ❖ Output report on the findings of the assessment with recommendations for areas of non compliance and an improvement plan for actioning by the Audit Manager.
- ❖ Formal presentation of the output report to the Corporate Leadership Team and Audit Committee

→ A validated self-assessment requires the Chief Audit Executive {Audit Manager} to prepare a self-assessment against the standards attributes which an assessor or assessment team uses to independently validate the self assessment to include:-



Agenda Item No. 8 Appendix 1

- ❖ A review of audit documents to understand the reporting methodology to include, the Audit Charter, Audit Manual, Audit Plan and Committee Reports
 - ❖ A review of audit files to include working papers
 - ❖ On site interviews with Key Personnel to include not only the audit team but also the Corporate Director: Resources as S151 Officer, the Monitoring Officer, Chair of Audit Committee and a selection of auditees
 - ❖ Out put report on the findings which will be supported by the Council's fully evidenced self assessment.
 - ❖ Formal presentation of the output report to the Corporate Leadership Team and Audit Committee
- 3.4 The external assessor must conclude as to conformance with the **Code of Ethics** and the **Standards:-**
- ➔An independent assessor or assessment team should not have either an actual or perceived conflict of interest and not being part of or under the control of the organisation to which the internal activity being assessed belongs.
 - ➔A qualified assessor or assessment team must demonstrate competence in the professional practice of internal auditing and the external assessment process.
- 3.5 The outcome of the external assessment and any resulting action plan will be reported to the Audit Committee with a statement to confirm conformance to the standards.
- ➔An action plan may be developed as a result of the external assessment to improve the levels of conformance to the standards.
 - ➔The progress on implementation of the recommendations and areas of identified non conformance will be reported in the Internal Audit Annual Report.
- 4. REVIEW OF THE QUALITY ASSURANCE IMPROVEMENT PROGRAMME**
- 4.1 The Audit Manager will review this document on an annual basis and report the outcome to the Corporate Leadership Team and the Audit Committee.

Recommendations

No	Recommendation	Response {30.04.18}	Responsible Officer	Action date	Action Taken as at 30.09.18
R1	Once rolling elections cease and the Audit Committee is more stable, conduct a review of its effectiveness	Acknowledge	S151 and Monitoring Officer	2019	To be progressed following local elections in May 2019
R2	<p>Enhance individual audit planning and expand the audit brief as follows:</p> <ul style="list-style-type: none"> • Focus on risk, especially strategic risks and risks that specifically relate to the area being audited, including fraud risks • Examine the efficiency and effectiveness of operations • The strategies and objectives of the activity being reviewed • Opportunities for making improvements to the activity and assessing value for money • The objectives of the assignment (to provide assurance and support the opinion) • The risk of errors, fraud and non-compliance <p>And make it timely so that planning is carried out at the time of the audit</p>	<p>Agree</p> <p>Audit Briefs already make provision for review, but will look at wording of audit briefs</p> <p>Already included ~ No Further Action</p> <p>Referenced in the formal audit report, and support the effectiveness/efficiency of the service area under review.</p> <p>Already the procedure ~ No Further Action</p> <p>Already the procedure ~ No Further Action</p> <p>Already the procedure ~ No Further Action</p>	Audit Manager	April 2018	A revised audit brief layout has been introduced for 2018-19 to link audit reviews to the Corporate Risk Register, supported by operational risks considered by Internal Audit when identifying the expected controls which will inform the level and detail of substantive testing to be undertaken.

No	Recommendation	Response {30.04.18}	Responsible Officer	Action date	Action Taken as at 30.09.18
R3	Involve auditees in the risk-based planning of each assignment	Already the procedure ~ No Further Action	Audit Manager	April 2018	Senior Auditor currently updating the risk matrix maintained to support the inclusion of audits within the annual audit plan. The new document is a work in progress reviewed at the team meetings and will form the basis to evidence the 2019~20 and future internal audit plans. Audit Plans are signed off by the Corporate Leadership Team prior to Audit Committee approval.
R4	Ensure that some form of quality assurance review of the service is undertaken each year, with an action plan presented to the Audit Committee to address areas for development	Do have end of audit questionnaires, but will look to enhance end of year reporting on service delivery	Audit Manager	May 2019	A formal quality assurance and improvement programme to be endorsed by the Audit Committee at its meeting of 26 th November. In line with the UK Public Sector Internal Audit Standards provides for an annual assessment against the QAIP and will support the annual audit opinion.
R5	Expand the performance indicators used by audit and report the trend over time in the Annual Report	Annual report does include detail by comparison of 2 years on number of audits completed and opinions given, but will look to review and enhance future annual reports.	Audit Manager	May 2019	Performance Indicators to be reviewed in line with best practice to inform the Audit Opinion within the Annual Audit Report.

No	Recommendation	Response {30.04.18}	Responsible Officer	Action date	Action Taken as at 30.09.18
R6	Shift the focus of annual audit planning as follows: <ul style="list-style-type: none"> Concentrate on the key risks and priorities for WFDC, including strategic decisions Review the key financial systems in accordance with the risks they pose to the Council 	Acknowledged	Audit Manager	March 2018 {2018~19 Internal Audit Plan}	Senior Auditor currently updating the risk matrix maintained to support the inclusion of audits within the annual audit plan. The new document is a work in progress reviewed at the team meetings and will form the basis to evidence the 2019~20 and future internal audit plans.
R7	The Audit Manager should attend CLT more routinely, as a minimum for the mid-year and year end audit reports	Agree. Will attend CLT more regularly	Audit Manager	From April 2018	Audit Manager regularly attends CLT to present reports in respect of the Internal Audit Service. 05.03.18 Audit Plan & Q3 Monitoring Report {17/18} 15.05.18 Annual Report; External Assessment Outcome & Q4 Monitoring Report {17/18} 17.07.18 Q1 Monitoring Report {18/19} & Update IA Charter 12.11.18 Q2 Monitoring Report {18/19} & Quality Assurance Improvement Programme
R8	Build consideration of ethical matters into the planning of audits	Guidance has been sought from the Monitoring Officer to confirm the ethical governance arrangements for WFDC and provide a reality check on the ethical framework. In addition, the 2018~19 Internal Audit Plan includes a specific review for ethics and governance.	Audit Manager	From April 2018 with completion of the 2018~19 Internal Audit Plan	Ethics & Governance review assigned to the Senior Auditor.

No	Recommendation	Response {30.04.18}	Responsible Officer	Action date	Action Taken as at 30.09.18
R9	Develop an understanding of ICT audit risks, ideally commissioning a specialist provider to undertake this work	The Senior Auditor role encompasses ICT reviews and these are programmed into the audit plan. Acknowledge no member of team holds a formal ICT qualification. Specialist provider would be engaged where the skills set could not be met in house.	Audit Manager	Ongoing	ICT Audits for 2018~19 to encompass access reviews assigned to the Senior Auditor. Requirement of more specialist external support to be kept under review.
R10	Develop risk-focused work programmes for audits, setting out the activities that are to be carried out against the risks identified to meet the objectives of the audit. Ensure that work programmes are approved before being implemented	Consider these to be an extension of the audit brief therefore will look to enhance the current documentation to identify risk as the lead for audits.	Audit Manager	From April 2018 with completion of the 2018~19 Internal Audit Plan	A revised audit brief layout has been introduced for 2018~19 to link audit reviews to the Corporate Risk Register, supported by operational risks considered by Internal Audit when identifying the expected controls which will formulate the level and detail of substantive testing to be undertaken.
R11	Use a risk-focused work programme as a core document to record summary information and improve the audit trail from the brief, through working papers and to the report	This is considered to be the current document headed up "objective" as part of our methodology, the original risk and testing objective references are taken from the audit brief which provides for evidencing the detailed testing against the objective and identified risk. However, will look to review current practices to ensure work is risk focused.	Audit Manager	From April 2018 with completion of the 2018~19 Internal Audit Plan	Senior Auditor currently updating the risk matrix maintained to support the inclusion of audits within the annual audit plan. The new document is a work in progress reviewed at the team meetings and will form the basis to evidence the 2019~20 and future internal audit plans.

No	Recommendation	Response {30.04.18}	Responsible Officer	Action date	Action Taken as at 30.09.18
R12	<p>Revise audit reports to include:</p> <ul style="list-style-type: none"> The audit scope and objectives. This could be by including the brief as an appendix to the report A limitation statement on all audit reports Summary information only. Details, if needed, should be shared separately The Audit Manager's name on all audit reports The names of the auditors involved in the work on audit reports A circulation list on all reports and audit briefs 	<p>Already included albeit in summary format</p> <p>Acknowledge and agree.</p> <p>Already the procedure, report on exception</p> <p>This is already in place albeit by an email with the report as a paperless process (WFDC Transformation), but will look to also include a box at the end of each report</p>	Audit Manager	April 2018	<p>The formal audit report layout {draft/final} has since been reviewed to ensure the overview details the scope, objectives and limitation applicable to the audit review. These are supported by details of the work completed.</p> <p>Observations are clearly linked to expected controls to ensure the mitigation of any identified risks.</p> <p>A distribution table has been included to clearly identify recipients of completed reports.</p>
R13	Revise the Annual Report to include an opinion that refers to the governance, risk and internal control framework	Acknowledged; will be considered for the 2018~19 annual report	Audit Manager	May 2019	The annual report for 2017~18 was revised to clearly evidence an opinion on the internal control environment.
R14	Make it clear that the opinion is that of the Audit Manager and not that of the s151	Acknowledged; will be considered for the 2018~19 annual report	Audit Manager	May 2019	The annual report for 2017~18 did provide for a personal opinion on the adequacy and effectiveness of the Council's Internal Control Environment. {3.3}

Compliance requirements

No	Compliance requirement	Response	Responsible Officer	Action date	Action Taken
C1	Amend the Charter to define the nature of assurance work, including that provided to external parties. Also define commissioned work, making it clear that this is not part of the core assurance work to support the annual audit opinion	Agree	Audit Manager	Audit Committee July 2018	Revised Internal Audit Charter approved by the Audit Committee 30.07.18 to take into account the nature of assurance work and defined commissioned work.
C2	Include an explicit declaration of audit's independence in the annual report each year	Agree. Will include in the 2017/18 annual report	Audit Manager	May 2018	A statement of organizational independence was included in the 2017/18 Internal Audit Annual Assurance Report.
C3	Develop safeguards to maintain audit's independence and objectivity relating to undertaking investigation work and present them to the Audit Committee for review and approval	Acknowledge	Audit Manager	Audit Committee July 2018	The Audit Charter clearly references Internal Audit responsibility in respect of investigations outside of the expected role of internal audit when considering fraud and error as part of the audit reviews.
C4	Develop an over-arching Quality Assurance Improvement Programme {QAIP} setting out the different quality checking processes followed	Acknowledge and agree	Audit Manager	July 2018	A Quality Assurance & Improvement Programme has been prepared to be endorsed by the Audit Committee 26.11.18.
C5	Build compliance with Public Sector Internal Audit Standards {PSIAS} and Local Government Application Note {LGAN} into the relevant activities in the manual	Acknowledge	Audit Manager	From April 2018	The internal audit manual is continually under review. To date several of the structured documents and procedures have been updated and reviewed following the external assessment.

Suggestions

No	Suggestion	Response	Responsible Officer	Action date	Action Taken
S1	Set out the Core Principles and Code of Ethics in the Charter, explaining how audit delivers against these	Agree	Audit Manager	July 2018	Clearly referenced within the Internal Audit Charter approved by the Audit Committee in July 2018
S2	Highlight that audit has no responsibility to identify frauds	Agree	Audit Manager	July 2018	Clearly referenced within the Internal Audit Charter approved by the Audit Committee in July 2018
S3	Give auditors responsibility for developing audit briefs, to be reviewed and signed off by the Audit Manager	Acknowledge and will trial a change to working practices, with delegation to auditors and mentoring of trainee.	Audit Manager	April 2018	Currently trialing a revised format. Senior Auditor assigned with reviewing the audit brief layout. Input from team members at regular team meetings with aim of auditors preparing the audit briefs going forward.
S4	Involve others from the authority who have knowledge of audit (Audit Committee members, s151, etc) in QAIP reviews occasionally	Acknowledge and will seek to build on current practice of end of audit questionnaires. CLT and the Chief Executive already review reports in respect of the Internal Audit Service.	Audit Manager S151 Officer	Q4 2018~18 {By 31 st March 2019}	Audit Manager attends CLT in respect of Audit Committee Reports for the Internal Audit Service. End of Audit Questionnaires reviewed to ensure evidence on-going peer review of the internal audit service. Outcome to be reference in the annual report to support consideration and conformance with the UK Public Sector Internal audit Standards.
S5	Discuss different forms of opinion with CLT and the Audit Committee	To be reviewed and best practice identified.	Audit Manager S151 Officer	Q4 2018~18 {By 31 st March 2019}	The opinion for the annual report for 2017~18 was revisited to ensure compliance with best practice.
S6	Set and monitor targets for issuing draft and final audit reports	Process already in place as part of the service auditees can expect, but will look to formalise in reports to Audit Committee.	Audit Manager	Q4 2018~18 {By 31 st March 2019}	As part of the on-going review of service delivery, timescales will be set and managed to ensure reports are issued in line with best practice.

APPENDIX 2 ~ EXTERNAL ASSESSMENT {2018} ~ ACTION PLAN PROGRESS

2018

S7	Consider including risk matters that have a broader relevance in staff bulletins	Acknowledge and will review	Audit Manager	Q4 2018~18 {By 31 st March 2019}	The advantages of this will be reviewed following the completion of the audit reviews.
S8	Change the reporting of risks in reports to match the format used in risk registers, making it easier to include that information	Acknowledged and commenced with 18-19 Plan and Audit Briefs and final reports being issued for 17-18	Audit Manager	April 2018	A revised audit brief layout has been introduced for 2018~19 to link audit reviews to the Corporate Risk Register, supported by operational risks considered by Internal Audit when identifying the expected controls which will formulate the level and detail of substantive testing to be undertaken. Observations are clearly linked to expected controls to ensure the mitigation of any identified risks.
S9	Include details of the follow-up process for both audits and commissioned work in the audit manual and in audit reports, for example, as a footer to the action plan	There is a process already in place as part of the service auditees can expect, and there is also a document to support this in the audit manual.	Audit Manager	April 2018	The process is detailed within the Internal Audit page on the Council intranet. From April 2018, all audit briefs now include a link to these documents as aide memoirs for Service Managers.

WYRE FOREST DISTRICT COUNCIL**AUDIT COMMITTEE****26th November 2018****Risk Management – Corporate Risk Register**

OPEN	
CABINET MEMBER:	Councillor N J Desmond
RESPONSIBLE OFFICER:	Corporate Director: Resources
CONTACT OFFICER:	Tracey Southall Tracey.southall@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 - Corporate Risk Register as at 30 th September 2018 Appendix 2 – Budget Risk Matrix 2018~21

1. PURPOSE OF REPORT

- 1.1 To inform Members of the Audit Committee of the current Corporate Risk Register and the Budget Risk Matrix attached as Appendices 1 and 2.

2. RECOMMENDATIONS

- 2.1 **The Audit Committee are asked to CONSIDER AND NOTE the Corporate Risk Register and the associated mitigating actions as at 30th September 2018 and the 2018/21 Budget Risk Matrix.**

3. BACKGROUND

- 3.1 Council approved a Risk Management policy statement and strategy in February 2008. The approved Risk Management strategy requires that the risk register entries for the Council, both strategic and operationally is considered by the Audit Committee.
- 3.2 The authority manages a corporate risk register for the significant organisational risks. The risk registers are held within the Pentana Performance (formerly Covalent) computer application. Arrangements are in place to ensure that access is available to all officers who require it.
- 3.3 The Corporate Risk Register was subject to a fundamental review during 2011, this review was undertaken by the Corporate Management Team and the Cabinet in discussions facilitated by Zurich Municipal Management Services. Zurich also undertook a review of the 2016/17 Risk Register as part of an Information Governance Health Check reported to the Leadership Team in July 2016. This gave the leadership and management of risk by senior management a Level 3 – “Managed” rating and recommended that the Risk Register be refreshed to include more specific reference to Information Governance risk. This has been actioned and is included in Appendix 1.

- 3.4 In addition to this external review, the Risk Register is reconsidered and updated annually by the Corporate Leadership Team (CLT). This ongoing review is led by the Corporate Director: Resources in liaison with the Cabinet Member for Resources. The Corporate Risk Register for 2018-19 is attached at Appendix 1; it has been developed and approved by the Corporate Leadership Team with input from all Service Managers as appropriate.
- 3.5 The Corporate Risk Register is closely allied to the Budget Risk Matrix approved annually by Council as part of the Medium Term Financial Strategy and updated as part of the Quarterly Budget Monitoring reports attached as Appendix 2.

4. KEY ISSUES

- 4.1 Risk Management is embedded within the Council through the Corporate Risk Register. Any report considered by Members includes a Risk Management Section and in addition to this, specific registers are maintained and monitored separately for significant individual projects.
- 4.2 The Budget Risk Matrix is closely allied to the Corporate Risk Register and is reported to Members as part of the budget process. It is updated at least quarterly and reported as part of the regular Budget Monitoring Reports to Cabinet.
- 4.3 The external auditors Grant Thornton have recognised the work the Council has achieved in this area and has previously acknowledged *“There is also an effective Audit Committee in place (which GT attend and actively participate at) which provides robust challenge on financial matters and assurance on risk management arrangements”* Source: Value for Money conclusion 2014/15, Strategic financial planning and Financial governance pages 29 and 31 of agenda papers.

The Value for Money conclusion for 2017/18 provided by Grant Thornton as part of Annual Audit Letter reported to Audit Committee on 30th July 2018 that considers significant risks faced by the Council concluded that:

“We have completed our risk based review of the Council’s value for money arrangements. We have concluded that Wyre Forest District Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources” page 11 of the agenda
http://www.wyreforest.gov.uk/council/docs/doc53440_20180730_audit_agenda.pdf.

- 4.4 The 2016/17 external review of the Risk Register by the Zurich Senior Strategic Risk Consultant in July also provides additional assurance for the Council.
- 4.5 It is appropriate for the Audit Committee to consider the current Corporate Risk Register attached at Appendix 1, updated to the end of September 2018 and agreed by CLT. The Corporate Risk Register will continue to be reported on a 6 monthly basis to the Audit Committee, following consideration by the Corporate Leadership Team.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising from this report.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 Regulation 3 of the Accounts and Audit Regulations 2015, state that:
“A relevant authority must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk.”
- 6.2 In addition Regulation 4 of the Accounts and Audit Regulations 2015 also state that:
“The financial control systems determined must include measures to ensure that risk is appropriately managed”.
- 6.3 The Council’s corporate Governance Framework considered by the Audit Committee on 17th March 2008, includes Core Principle 4 - Taking informed transparent decisions which are subject to effective scrutiny and management of risk.

7. RISK MANAGEMENT

- 7.1 The consideration and management of risk is good practice. Risk Management processes are required to effectively manage and evidence the management of key risks as an aid to achieving the Council’s corporate objectives and demonstrating good Corporate Governance allowing Managers to manage their risks and bring to a corporately acceptable level.

8. EQUALITY IMPACT NEEDS ASSESSMENT

- 8.1 An Equality Impact Assessment screening has been undertaken and it is considered that there are no discernable impacts on the nine protected characteristics.

9. CONCLUSION

- 9.1 The corporate risk management process ensures that risks are monitored and action taken to minimise the impact on the Council. The Corporate Risk Register and Budget Risk Matrix as attached at Appendices 1 and 2 provide a realistic overview of the major risks affecting the Council and will be monitored on a regular basis by the Corporate Leadership Team with six monthly reports to the Audit Committee.

10. CONSULTEES

- 10.1 Corporate Leadership Team.
10.2 Cabinet Member for Resources.

11. BACKGROUND PAPERS

- 11.1 The Annual Audit Findings report – Audit Committee 31st July 2017
11.2 The Annual Audit Findings report – Audit Committee 30th July 2018
11.2 Risk Management: Corporate Risk Register Report – Audit Committee – 19th March 2018
11.3 Medium Term Financial Strategy Report 2018/21 – Cabinet 19th December 2017

Corporate Risk Register 2018/19






Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown

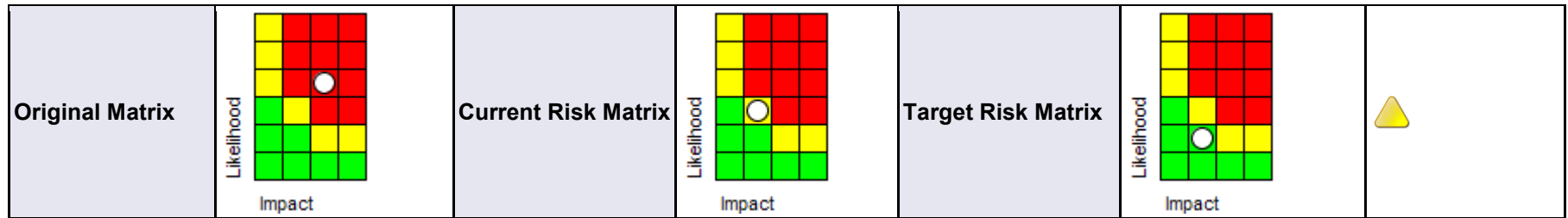
CORPRISK01 **Unable to implement and embed new ways of working.** The Council continues to undergo major transformational change that embraces review of processes, cultural and behavioural change, increased standards of delivery etc. Continue to use systems thinking methodology and apply current values in continuous improvement work. The bold and innovative policies for development loans fund and the capital investment fund, together with capital investment in the depot to improve the Council's commercial offer, are significant and must be carefully managed with risk mitigated by robust due diligence and use of external expertise and alternative service delivery vehicles as appropriate.

	Original Matrix 	Current Risk Matrix 	Target Risk Matrix 	
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MITIGATING ACTIONS				
Description	Managed By	Due Date	Latest Note	
Regular CLT/ cabinet meetings focussed on change, demonstrating leadership by example and maintained by regular updates at corporate briefings and team meetings etc.	Corporate Leadership Team; Ian Miller	31-Mar-2019	Monthly Cabinet/CLT meetings discuss a range of strategic issues and opportunities for change. Round of Corporate Briefings held in October, and in February.	<input type="text" value="0%"/>



Use of external expertise to identify and manage commercial opportunities and advise on the most appropriate mode of service delivery.	Corporate Leadership Team; Linda Draycott; Mike Parker	31-Mar-2019	External recommendations on future sustainability of the commercialisation agenda were agreed and implemented from February 2018. A new Commercial Activity Programme Board has been set up and a commercial strategy agreed in April 2018. A new post of Commercial Business Partner was agreed as part of the strategy and the post holder commenced the role in June 2018.	10%	
Demonstrating robust and focussed leadership in all transformation activity	Rachael Simpson	31-Mar-2019	Induction and Onboarding Current HR forms are being reviewed and options for onboarding are being explored. HR pages - COLIN New COLIN launched 9th July 2018. There will be ongoing work on the HR pages to ensure they remain up to date and the self service element is developed. Developing leadership and personal capability Ongoing support and advice provided	76%	
Design and publish new Corporate Plan. Preliminary design work to be complete by the end of March 2019. Council approval scheduled for July 2019.	Ian Miller	31-Mar-2019	Initial testing of public views in Viewpoint Survey 2018	5%	

CORPRISK02	<p>Unable to improve the economic prosperity of the district. Lack of vitality in the local economy - although the District is holding up reasonably well in the current economic conditions it still aims to stimulate growth to support the economic recovery and to support the recovery of the local economy. The Council is now in its seventh year of the State of the Area Programme which includes a number of projects to assist in the stimulation of economic recovery. The Council is host of the North Worcestershire Economic Development and Regeneration Service and a member of two Local Enterprise Partnerships and continues to maximise the benefit of that position. The Business Rates Retention Scheme introduced in 2013/14 increases the incentive to promote growth as there is significant financial risk to this Council if we are unable to sustain the baseline level of the business rates reflected in government projections. The detail in relation to reform of the Business Rates System towards 75% retention and Fair Funding Review is still evolving. We will continue to review our position as more information is released. Membership of the Worcestershire Business Rates Pool can only mitigate this risk to a certain extent and economic growth is key to the future financial sustainability of the Council, this may change following Business Rates Reform. Risk of LEP review removing right to be in two LEPs. Bid for 75% rate retention pilot for 2019/20.</p>
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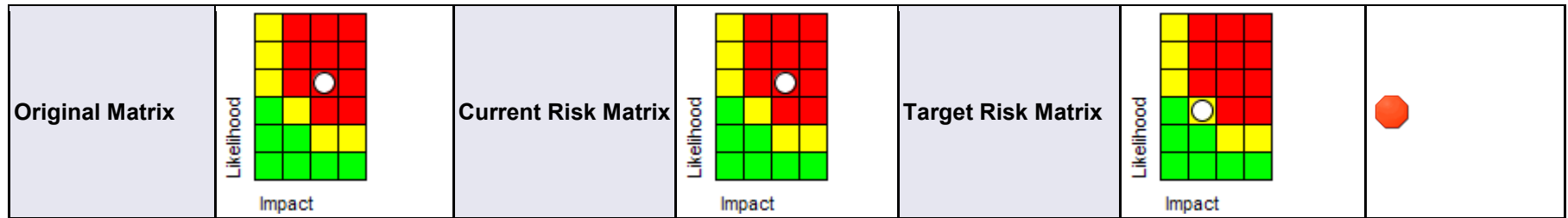


MITIGATING ACTIONS					
Description	Managed By	Due Date	Latest Note		
Continue to implement actions from the Worcestershire Housing Partnership Plan including any outcomes as a result of the review of the Local Development Plan.	Kate Bailey	31-Mar-2019	Worcestershire Delivery Group have developed a pipeline of housing supply across the County to meet housing needs and housing growth. The Local Plan Review has considered the responses to the consultation and these have now been used to inform policy development and site allocations. Outcome of NPPF2, the standardised methodology for housing needs and new population growth figures taken into account in pre-submission plan (consultation November 2018).	40%	▶
Collection of Council Tax and Business Rates Local Council Tax Reduction Scheme now requires approximately 5000 Customers to pay at least 20% of their Council Tax liability. Failure to pay their liability will result in lower collection rates. Business Rates Retention Scheme now requires Local Authorities to focus on Business Rate collection to avoid further financial pressure.	Lucy Wright	31-Mar-2019	As at 1st Oct 2018, Council Tax in year collection rates are at 57.66% compared to 57.69% last year. NNDR in year collection rates are at 57.89% compared to 57.95% last year. An additional £415k has been collected against previous years' arrears. Business rates avoidance continues to be an issue as reported to O&S in Oct 2017. Review of Council Tax Reduction Scheme to ensure smooth operation alongside Universal Credit - changes to take effect	40%	▶

			April 2019 following consultation.		
Generation of additional Business Rates Income through continued delivery of regeneration and utilisation of new policies for development loans fund and capital portfolio fund.	Mike Parker	31-Mar-2019	Second quarter 2018/19 -0.0389% decrease in second quarter from £26,640,282 down to £26,629,897. The decrease is still mainly due to a large industrial unit under going renovation and the rateable value of £477,500 going down to nil whilst the work is undertaken. Also five schools have now become academies and therefore now receive 80% Mandatory rate relief, and Crown House, Kidderminster has been nil rated.	<input type="text" value="25%"/>	
Influencing a positive outcome to the LEP Review	Ian Miller; Mike Parker	31-Dec-2018	LEP Chairs met with Minister week beginning 5th November; Government clear on no overlapping boundaries for future allocation of Shared Prosperity Fund and require final LEP decision imminently. GBS LEP to hold Board meeting 15th November to ascertain views on final boundary submission. Worcestershire LEP also has Board meeting in November but no indication as yet that they will seek views of District Councils.	<input type="text" value="50%"/>	
Crown House/Kidderminster Western Gateway	Mike Parker	31-Dec-2019	Final agreement not received from Telereal Trillium due to their more favourable financial position created by VOA decision to remove the building from the rating list. Demolition now on hold indefinitely. Council is challenging VOA decision and also reviewing actions it may pursue under the lease to require TT to repair and improve the building which may then render it capable of adding back to the rating list.	<input type="text" value="80%"/>	
Redevelopment of former Lloyds Garage	Mike Parker	01-Apr-2019	Meeting with PSP 8th November agreed	<input type="text" value="50%"/>	

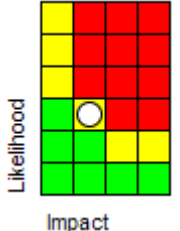
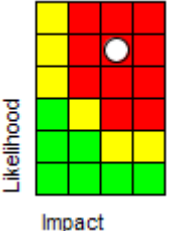
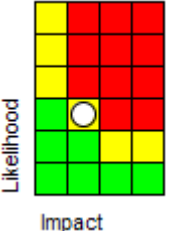

site and adjoining land (STC.4)			to continue to advance scheme. Financial Viability Appraisal to be run 19th November with a view to being able to progress to Operations Board in January.		
Lion Fields - Regeneration of Bromsgrove Street/Worcester Street area of Kidderminster to support town centre viability (split into three individual sub actions)	Mike Parker	31-Mar-2020	Parcel 1: Cordwell still negotiating with cinema operator; good interest from other potential tenants but all depends upon securing the cinema. Parcel 2: Intend to utilise Homes England Delivery Partner Panel to secure a development partner for the former magistrates' court. However, as the building is now Grade II listed it will narrow the field of interest. Parcel 4: One Creative appointed to develop options for the remainder of the Bromsgrove Street car park site with a view to reporting back to Members in December. Parcel 5: Worcestershire County Council have undertaken a public engagement session with the proposed details of opening up Worcester Street to traffic. Work started October.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #ccccff; display: flex; align-items: center; justify-content: center;">21%</div>	
To complete the redevelopment of forecourt and tickets office at Kidderminster Railway Station	Mike Parker	31-Dec-2019	Initial highway works complete; work on redevelopment of ticket office and forecourt due to commence mid November 2018. Overall scheme due for completion August 2019.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #ccccff; display: flex; align-items: center; justify-content: center;">80%</div>	



CORPRISK03	Unable to deliver good quality, affordable homes. The need for good quality, decent and affordable homes in the district is increasing but supply relative to demand in decreasing. The emerging national position regarding changes in the National Planning Policy Framework the Voluntary Right to Buy pilot in the West Midlands and no policy decisions yet on funding social rent by Homes England is likely to exacerbate this risk.
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MITIGATING ACTIONS					
Description	Managed By	Due Date	Latest Note		
Continue to implement actions from the Worcestershire Housing Partnership Plan including any outcomes as a result of the review of the Local Development Plan.	Kate Bailey	31-Mar-2019	Worcestershire Delivery Group have developed a pipeline of housing supply across the County to meet housing needs and housing growth. The Local Plan Review has considered the responses to the consultation and these have now been used to inform policy development and site allocations. Outcome of NPPF2, the standardised methodology for housing needs and new population growth figures taken into account in pre-submission plan (consultation November 2018).	40%	▶

CORPRISK04	<p>Unable to deliver a sustainable budget for the long term. The 2018/21 Medium Term Financial Strategy projects a much lower level of government funding over the next 2 years with RSG being phased out completely by 2019/20 and NHB being reformed with a higher baseline for which no funding is paid than previously expected. The success of this strategy is reliant on the delivery of significant savings to close the funding gap of circa £1.6m per annum by 2021. This ambitious programme of savings and income generation must be carefully managed by the Leadership team (officers and members) and achieved. The reliance on external income streams/funding brings with it increased risk around the continuation of these income streams that are based on the decisions of third parties. The Business Rates Retention Scheme and the imposition of further reductions/cessation in Government funding streams represents significant corporate financial risk. These risks include the uncertainty around the future of New Homes Bonus as it is clear that there will be a significant reduction in this key funding stream. Business Rates reform, growth and the risk of Appeals resulting in lower Business Rates yield represent a key risk to future sustainability. The two significant council policies for development loans fund and capital portfolio fund should help generate both housing and business growth whilst also generating a net revenue income stream to help alleviate the significant financial pressures. Proposals for a Financial Resilience Index by the Chartered Institute of Finance and Accountancy (CIPFA) may prompt further</p>
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challenge to the reporting of our future financial resilience. This is closely allied to Corporate Risk 03.						
Original Matrix		Current Risk Matrix		Target Risk Matrix		






MITIGATING ACTIONS					
Description	Managed By	Due Date	Latest Note		
Prepare budgets in accordance with all legislative requirements and the Council's Finance Strategy, taking into account the significant changes in the funding regime, increased risk and diminishing reserves available and reduced capacity following various restructures. Brexit adds further uncertainty and complexity.	Tracey Southall	31-Mar-2019	Base Budget is progressing to timetable and the dates for the Cabinet Financial Strategy Advisory Panel have been agreed and reports commenced.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #add8e6; display: flex; align-items: center; justify-content: center;">20%</div>	
Collection of Council Tax and Business Rates Local Council Tax Reduction Scheme now requires approximately 5000 Customers to pay at least 20% of their Council Tax liability. Failure to pay their liability will result in lower collection rates. Business Rates Retention Scheme now requires Local Authorities to focus on Business Rate collection to avoid further financial pressure.	Lucy Wright	31-Mar-2019	As at 1st Oct 2018, Council Tax in year collection rates are at 57.66% compared to 57.69% last year. NNDR in year collection rates are at 57.89% compared to 57.95% last year. An additional £415k has been collected against previous years' arrears. Business rates avoidance continues to be an issue as reported to O&S in Oct 2017. Review of Council Tax Reduction Scheme to ensure smooth operation alongside Universal Credit - changes to take effect April 2019 following consultation.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #add8e6; display: flex; align-items: center; justify-content: center;">40%</div>	

Municipal Mutual Insurance Clawback - Budget Pressure	Tracey Southall	31-Mar-2019	A further potential claim is currently being considered but liability not confirmed at this early stage.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"> 35% </div>	
Regular meetings to facilitate effective communications. Regular additional Cabinet/ CLT meetings in 2018 to focus on future financial strategy and Wyre Forest Forward savings achievement.	Corporate Leadership Team; Ian Miller	31-Mar-2019	Away day in October has shaped Medium Term Financial Strategy. Programme of meetings set for 2018 including local plan.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"> 25% </div>	
Implementation of new policies for development loan fund and capital portfolio fund. Use of external support/expertise to manage fund and produce each business case/perform due diligence. New MHCLG investment guidance and revised Codes of Practice for Prudential Code and Treasury Management. Close monitoring of economic outlook/external factors influencing market rates.	Caroline Newlands; Mike Parker; Tracey Southall	31-Mar-2019	Finance Birmingham formally appointed to advise on potential loans through Development Loan Fund.; inception meeting and initial opportunities to be explored in November.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"> 25% </div>	
Business Rates Retention Scheme. To continue to contribute to the reform debate to maximise the council's future position.	Tracey Southall	31-Mar-2019	A pan pilot Business Rates pilot for Worcestershire was submitted in September and Pixel Consultants are advising the Worcestershire treasurers on the Business Rates reform together with LG futures.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"> 40% </div>	
To continue to progress the Corporate Fraud role assigned to the Senior Auditor/Corporate Fraud Officer to focus on non-benefit fraud, continue to raise awareness of national issues as part of the Fighting Fraud and Corruption Locally Agenda working in close liaison with Services and ICT. This will include focus on non-benefit fraud there will also be close liaison with the Compliance resource within the Revenues team with	Cheryl Ellerton; Tracey Southall	31-Mar-2019	Progressing the awareness campaign with an up to date intranet page on the new COLIN plus regular alerts in Wyred Weekly and also poster campaign across Wyre Forest House and Green Street.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"> 50% </div>	

updates to the Audit Committee. The Corporate Fraud Officer will also be the single point of contact to engage with serious and organised crime local multi agency partners to mitigate the risk of procurement fraud.					
Green street depot 2020 improvement and investment plan	Steve Brant; Linda Draycott	31-Mar-2020	The project start date has been re-set to mid November to allow a little more time to discharge the formal planning conditions. This will save on unnecessary project costs.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"><div style="background-color: #4f81bd; width: 60%; position: absolute; left: 0;"></div>60%</div>	▶
Implementing redevelopment proposals to generate new revenue streams	Mike Parker	31-Mar-2019	Three investments now complete; one retail units in Kidderminster, two office units in Bromsgrove and Solihull.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"><div style="background-color: #4f81bd; width: 30%; position: absolute; left: 0;"></div>30%</div>	▶
Universal Credit	Lucy Wright	31-Mar-2019	Full service Universal Credit is due to roll out in Wyre Forest in Nov 2018. The team are preparing for the changes and the Council has consulted on changes to the Council Tax Reduction Scheme as part of those preparations. Decision due by Full Council in December.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"><div style="background-color: #4f81bd; width: 25%; position: absolute; left: 0;"></div>25%</div>	▶

CORPRISK05	Council 'misses' important issues and/or is in breach of a requirement. The Council is a small organisation but it is still expected to respond to, and comply with, new legislation, strategies, audit requirements, health and safety requirements and inspection regimes to meet our insurers high standards.					
Original Matrix		Current Risk Matrix		Target Risk Matrix		▶


MITIGATING ACTIONS



Description	Managed By	Due Date	Latest Note		
Support and advice on major strategic projects to ensure sound and robust arrangements including Capital Portfolio and development loans fund.	Jane Alexander	31-Mar-2019	Work continues and on schedule for completion by 31st March 2019.	<div style="width: 50%;"><div style="background-color: #4f81bd; height: 10px; width: 50%;"></div></div> 50%	
To ensure the leadership team keeps abreast of statutory changes in legislation and seek to influence consultation and seek to prepare for changes in legislation.	Caroline Newlands	31-Mar-2019	Work continues and on schedule for completion by 31st March 2019. Homeless Reduction Act successfully implemented April 2018; preparation for roll out of Universal Credit November 2018	<div style="width: 50%;"><div style="background-color: #4f81bd; height: 10px; width: 50%;"></div></div> 50%	
Training Support and advice for Service Managers from Zurich Municipal Risk Management Specialists as part of our insurance contract	Caroline Newlands; Tracey Southall	31-Mar-2019	Formal report and training with service managers has now taken place. Recommendations, together with an action plan, reported to CLT On the 2nd October and a positive strategy approved.	<div style="width: 80%;"><div style="background-color: #4f81bd; height: 10px; width: 80%;"></div></div> 80%	
Continue to improve and develop Strategic management of information governance risks including follow up of Zurich Municipal annual review recommendations	Corporate Leadership Team; Tracey Southall	31-Mar-2019	Work on GDPR continues to embed and consider any minor outstanding or emerging issues as they arise. The information governance Group will continue to meet and ensure that continuous improvement is maintained in this key area.	<div style="width: 50%;"><div style="background-color: #4f81bd; height: 10px; width: 50%;"></div></div> 50%	
Budgetary Control - further development of reporting to include demand-led commercial income and early identification of variances to approval	Tracey Southall	31-Mar-2019	Monthly budgetary control reporting is on timetable and the September Cabinet considered Q1 budget monitoring report and approved a supplementary estimate for homelessness. Emerging and budgetary pressures will be included as part of the MTFS report.	<div style="width: 40%;"><div style="background-color: #4f81bd; height: 10px; width: 40%;"></div></div> 40%	

CORPRISK06	<p>Implementation of ICT Strategy. There continues to be significant investment in the development of technology at the Council. The ICT Strategy was agreed in February 2018 as part of the budget process and is being implemented across the authority with progress and governance provided by the ICT Strategy Board. A number of new websites have been implemented and the focus continues to be on supporting the move to greater self-service by customers, ensuring continued PSN compliance, update systems to ensure best value / efficiencies and refreshing ICT platforms / systems to deliver ICT services / and systems over the Medium Term Financial Strategy. There are emerging issues around some integration limitations that may hinder some transformation workstreams. A risk of reliance on key suppliers for, network products also exists as the ICT market is very fast paced and</p>
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<p>companies can frequently be subject to merger/changed ownership. The Council needs to be aware of software support expiry dates; consideration of this issue is included within the ICT Strategy for replacement of corporate system i.e. Office and business systems. The Council needs to maintain high levels of Cyber Security to protect against malware, hacking etc.</p>							
	Original Matrix		Current Risk Matrix		Target Risk Matrix		

MITIGATING ACTIONS					
Description	Managed By	Due Date	Latest Note		
Continue to deliver the ICT Strategy to achieve additional efficiency savings.	Dave Johnson	31-Mar-2023	See detailed updates below.	<input type="text" value="17%"/>	▶
Supporting the Commercial Agenda including digital by default. Review the booking systems and replace, review and replacement of GIS and on-line planning	Dave Johnson; Corporate Communications Team	31-Mar-2023	Two configuration issues have stopped eStore going live, these are both with Civica. If they can't be resolved in the next couple of weeks the decision will have to be made as to whether we go live without these features. As and when new funds, systems have to be set up to support commercial agenda depending on requirements.	<input type="text" value="15%"/>	▶
Digital by Default is the expected method of interacting with the Authority	Dave Johnson; Corporate Communications Team	31-Mar-2023	Project / Programme of work plan has been produced in conjunction with Digital first group for digital projects for the coming year. Two configuration issues have stopped eStore going live, these are both with Civica. If they can't be resolved in the next	<input type="text" value="15%"/>	▶

			<p>couple of weeks the decision will have to be made as the whether we go live without these features.</p> <p>Govdelivey project to provide digital updates, newsletters and proactive alerts is nearing completion, sign up link on websites due to go live imminently.</p> <p>Projects around digital back office automation in Revenues is progressing well.</p> <p>Date for Phase 2 Icon project including recurring card payments and hosted distribution to be agreed, following scoping call scheduled on 9th November</p> <p>Still to agree pricing for revenues</p> <p>OpenPortal module</p>		
<p>Application Software</p> <ul style="list-style-type: none"> o MS Office o Planning system o Garage system o CRM 	<p>Dave Johnson; Dave Johnson</p>	<p>31-Mar-2023</p>	<p>Planning / Land Charges – Following tasks have been completed or are in progress</p> <ul style="list-style-type: none"> . All servers have now been built and firewall configuration changes made . IDOX installing software including Planning, Land Changes and EDM software completion date early December . Training has been booked and starting in January . Data scoping day planned for 14th November . Project plan has been agreed with a completion date of end of April. <p>Civica Icon Phase 2 scoping meeting held 9th November</p> <p>M3 - Upgrade of system used for Housing / Water Management is challenging most of work has been complete but still a number of issues outstanding and no go live date yet agreed.</p>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">15%</div>	

<p>ICT Infrastructure</p> <ul style="list-style-type: none"> o New Wireless o Complete Firewalls o Complete data line install o Shoretel upgrade o VMWare upgrades o Mobile Phones 	<p>Dave Johnson</p>	<p>31-Mar-2023</p>	<p>Citrix -Build of new Citrix environment is currently behind schedule by approx. a couple of months due to workloads including SCCM upgrade, Depot 2020 project and IDOX planning system. Thin Clients Currently rolling out of 100 + new thin client devices to replace non supported / non PSN compliant devices. Shoretel: - Shoretel upgrade has been completed Server Room: - Server room was commission W/C 29th October and handed over on 2nd November. We are just awaiting the test results of the commissioning process. Two main outstanding tasks include delivery of Generator estimated 22nd November and security fencing to follow. LAN Infrastructure: - Network switches have been procured to support new depot site and also replace core switches at WFH. Wireless - Surveys have been completed at Bewdley , Town Hall and WFH. Green Street to be done as part of development. Tender to go out in the next 4 - 6 weeks</p>	<div style="border: 1px solid black; width: 100%; height: 15px; background-color: #e6f2ff; display: flex; align-items: center;"> 25% </div>	
<p>Review and Update Security Systems including Firewalls/ Web filter/New Email Gateway and associated modules/Network monitoring and reporting (Solarwinds / Firewalls etc)</p>	<p>Dave Johnson</p>	<p>31-Mar-2023</p>	<p>Security – Looking at rolling out a number of changes as part of laptop roll out including VPN always on and Umbrella Client. Anti Virus server has been upgraded with new versions and clients being rolled out to all servers and devices. Additionally SCCM server has also been upgraded and new SCCM client is being shipped out.</p>	<div style="border: 1px solid black; width: 100%; height: 15px; background-color: #e6f2ff; display: flex; align-items: center;"> 15% </div>	

			<p>New module that links to our patch management system (SCCM) to make it easier and quicker to update 3rd party software i.e. Adobe, Java etc. has now been set up and patches are ready to be deployed</p> <p>PSN – Awarded PSN accreditation in early September. Just finishing off a few remaining task including roll out of thin clients, complex passwords for some server services and 3rd party patching.</p> <p>Laptops - First batch of new laptops due to be delivered imminently with a plan to start roll out before Christmas with a number of security updates.</p>		
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CORPRISK07 **Not able to maintain a skilled and motivated workforce.** Against the background of the continued move away from the National Pay Agreement a second local agreement was implemented last year with locally agreed modest pay increases and other changes to conditions. The Council needs to continue to maintain a workforce with adequate capacity, skills, experience and motivation – so still being seen by staff as a good employer. Various restructures following the move to the Wyre Forest House has provided slimmer management structures and more devolution of responsibility which should assist in motivation and retention of the workforce, alongside a management development programme.

Original Matrix		Current Risk Matrix		Target Risk Matrix		
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MITIGATING ACTIONS

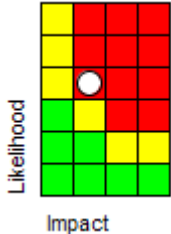

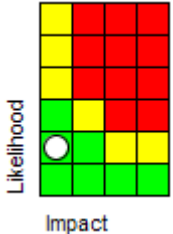

Description	Managed By	Due Date	Latest Note		
Progression of Wyre Forest Futures Leadership Development Programme	Rachael Simpson	31-Mar-2019	New nominations for Management and Leadership Programmes to be submitted	50%	

and training and development budget to support it.			to CLT November/December 2018		
Develop initiatives to support any workforce through organisational change including involvement of staff through suggestion scheme and System Thinking. The continued practice of regular staff surveys allows the leadership team to develop initiatives to respond positively to feedback and suggestions.	Rachael Simpson	31-Mar-2019	Ongoing through the Organisational Development (OD) Strategy and Wyre Forest Forward Programme. Review of combining a new OD Strategy with a Workforce Development Strategy, Ready for implementation – July 2019 Staff survey undertaken Autumn 2018 - results being analysed.	50%	


CORPRISK08	Capacity to do everything is insufficient. A flexible resource is required to do everything that the Council has committed itself to – transformation, core service review, review of partnerships. The pace of change and need to continue to deliver key projects, represent a significant resourcing risk. This leads to concerns about sufficient capacity to deliver the Wyre Forest Forward Savings/ efficiency plan and the ability to provide effective leadership for the management of the Council. This is particularly true given the increased savings targets from 2018/19 as a result of reductions in central government funding and the additional resource required to deliver the new policies for development loans fund and capital portfolio fund.				
Original Matrix		Current Risk Matrix		Target Risk Matrix	

MITIGATING ACTIONS					
Description	Managed By	Due Date	Latest Note		
Ensure resources are monitored and managed to protect capacity issues when Systems Interventions take place. The Innovation Fund is used to allocate funding to support interventions and consideration will be given to topping up this reserve at year end.	Ian Miller	31-Mar-2019	Allocations from the fund are regularly considered by CLT and past allocations reviewed if no longer required. Further top up being considered from revenue savings in 2018/19.	40%	

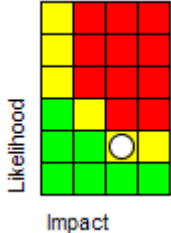
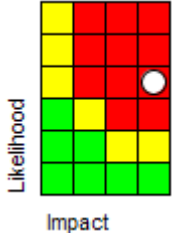
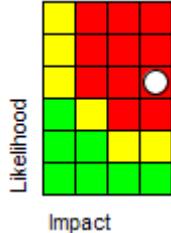
Ensure involvement of appropriate staff from both within and outside WF20 onto projects to spread resourcing and maximise the opportunities for success.	Ian Miller	31-Mar-2019	Cross directorate working groups on Digital First and Information Governance. Staff from appropriate teams involved in other projects e.g. Capital Portfolio Fund.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"><div style="position: absolute; top: -10px; left: 5px;">40%</div><div style="background-color: #4f81bd; width: 40%; height: 100%;"></div></div>	
Progressing changes to monitoring attendance levels. Working closely with employees, maintaining conversation and development opportunities in accordance with our values and the Worcestershire works well agenda.	Rachael Simpson	31-Mar-2019	On going support being provided to employees to assist with their well-being and supporting managers to proactively manage staff sickness Increased focus on data analytics to identify 'hot spots' and specific reasons for absence Task group set up to work on mental health agenda. Briefing paper to be presented to WF20 in November with recommendations.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"><div style="position: absolute; top: -10px; left: 5px;">75%</div><div style="background-color: #4f81bd; width: 75%; height: 100%;"></div></div>	
Utilise new post for property investment /management expertise to expedite implementation of policies on loans to third parties and capital portfolio fund.	Mike Parker	31-Mar-2019	New support arrangements being sourced from private sector following resignation of post holder.	<div style="border: 1px solid black; width: 100px; height: 20px; background-color: #e0e0e0; position: relative;"><div style="position: absolute; top: -10px; left: 5px;">30%</div><div style="background-color: #4f81bd; width: 30%; height: 100%;"></div></div>	

CORPRISK09	Unable to effectively improve the Council's reputation. The Council's reputation is extremely important, progressive improvement is important and can be subject to political influence that is difficult to predict and control. Effective consultation and communication with increased focus on customer engagement (both internal and external) are key to this gradual progression - along with purposeful service delivery.					
Original Matrix		Current Risk Matrix		Target Risk Matrix		


MITIGATING ACTIONS			
Description	Managed By	Due Date	Latest Note



Continue with Corporate programme of Employee and Member Engagement	Kay Higman	31-Mar-2019	A proforma has been developed so that consultation and engagement could be planned and co-ordinated in advance. This form is now to be used to encourage planned and meaningful consultation. The aim is to provide a corporate overview and timetable of all planned consultations. Ongoing. Corporate briefings held regularly. Programme of proactive publicity.	<div style="border: 1px solid black; background-color: #d9e1f2; padding: 2px; display: inline-block;">100%</div>	
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CORPRISK10	Unable to ensure a secure network which would make ICT vulnerable to attacks and threats. The Council has successfully achieved PSN compliance but this needs to be managed and maintained. ICT to regularly review and assess threats and impacts on the network and generate a formal risk/incident log and any remedial account required or acceptance of residual risk by the organisation where judged appropriate.
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Original Matrix		Current Risk Matrix		Target Risk Matrix	
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MITIGATING ACTIONS

Description	Managed By	Due Date	Latest Note		
Ongoing patching of servers/workstations/software	Dave Johnson	31-Mar-2019	Patching is on going and all servers and desktop are in the progress of having their Anti Virus upgraded to the latest version. 3rd Party SCCM Module - New module that links to our patch management system (SCCM) to make it easier and quicker to update 3rd party software i.e. Adobe, Java etc. has now been set up with patches now ready to be deployed for a number of 3rd party applications	<div style="border: 1px solid black; background-color: #d9d9d9; padding: 2px; display: inline-block;">30%</div>	

			PSN – Awarded PSN accreditation in early September.		
Annual Penetration tests and network scans.	Dave Johnson	31-Mar-2019	<p>PSN – Awarded PSN accreditation in early September.</p> <p>Penetration Tests - Look to do this twice a year as opposed to annual. Currently obtaining costs for this</p> <p>Cyber - Following review ICT Strategy board have agreed cyber action plan re training, security updates and reporting</p>	35%	
Review and Update Security Systems including Firewalls/ Web filter/New Email Gateway and associated modules/Network monitoring and reporting (Solarwinds / Firewalls etc)	Dave Johnson	31-Mar-2023	<p>Security – Looking at rolling out a number of changes as part of laptop roll out including VPN always on and Umbrella Client. Anti Virus server has been upgraded with new versions and clients being rolled out to all servers and devices. Additionally SCCM server has also been upgraded and new SCCM client is being shipped out.</p> <p>New module that links to our patch management system (SCCM) to make it easier and quicker to update 3rd party software i.e. Adobe, Java etc. has now been set up and patches are ready to be deployed</p> <p>PSN – Awarded PSN accreditation in early September. Just finishing off a few remaining task including roll out of thin clients, complex passwords for some server services and 3rd party patching.</p> <p>Laptops - First batch of new laptops due to be delivered imminently with a plan to start roll out before Christmas with a number of security updates.</p>	15%	

CORPRISK11 Unable to deliver satisfactory services through alternative Service Delivery Models including Shared Service arrangements and the potential

	<p>devolution of services public service reform and/or combined arrangements. The Council is partner in a number of Shared Services - Worcestershire Regulatory Services, Emergency Planning, Water Management, Payroll, Building Control, Economic Development and Regeneration - and is either host to the Shared Service or a partner in receipt of a service. The Council has entered into a Limited Liability partnership with Public Sector PLC and has approved the set up of a LATC in readiness for property/housing development utilising the capital portfolio fund where this is the most viable option. However there are always risks around the management of such arrangements, whether the work is being led by another organisation or led by the Council.</p>					
Original Matrix		Current Risk Matrix		Target Risk Matrix		


MITIGATING ACTIONS					
Description	Managed By	Due Date	Latest Note		
To ensure that governance arrangements are appropriate for all forms of service delivery including Public Private Partnerships (PPPs) and Local Authority Trading Companies (LATCs).	Caroline Newlands; Tracey Southall	31-Mar-2019	Work with PSP continues with regular meetings of the operational board. Funding liability if proving challenging with available sites.	40%	▶

CORPRISK12	<p>Effective/strategically focussed political leadership to cope with continuing significant challenges of reduced funding and changing legislative framework. The move to All-out Elections every four years from 2019 may help future political stability but there is a risk of not having a political majority which could undermine decision making. Members will still need regular training and all-party updates to ensure skills and knowledge are kept up to date in those challenging times when effective leadership is key to future sustainability.</p>					
Original Matrix		Current Risk Matrix		Target Risk Matrix		

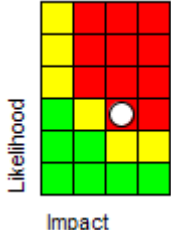
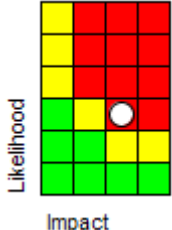
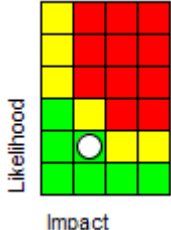

MITIGATING ACTIONS					
Description	Managed By	Due Date	Latest Note		
Ensure Members are regularly updated on corporate plans and proposals including Wyre Forest Forward. This also includes regular meetings of the Group Leaders and the Corporate Induction Plan undertaken in May - July 2017.	Ian Miller	31-Mar-2019	In progress. Meetings of group leaders supplemented with members' briefings and monthly members' bulletin. Member induction completed for May 2018 following elections.	41%	
Ensure newly elected members taking up lead positions in the Council are mentored to enable their skills to be fast tracked	Ian Miller	31-Mar-2019	Completed.	100%	



CORPRISK13					
Localism: Sustaining the pace and effectiveness of asset and service transfers to third sector parties, Parish and Town Councils					
Original Matrix		Current Risk Matrix		Target Risk Matrix	
	Likelihood Impact		Likelihood Impact		Likelihood Impact








MITIGATING ACTIONS					
Description	Managed By	Due Date	Latest Note		
Effective operational arrangements for the oversight of governance for mutually beneficial partnerships with third parties.	Corporate Leadership Team; Caroline Newlands; Tracey Southall	31-Mar-2019	The Wyre Forest LLP working together with Public Sector Partnership PLC is now established together with appropriate operational arrangements for the oversight of governance for mutually beneficial partnerships with third parties.	20%	


To ensure this Council keep abreast of the latest reorganisation developments and participates in the reorganisation debate to ensure it is not left in an isolated position.	Ian Miller	31-Mar-2019	Government has not announced any central plans for reorganisation but supporting locally led mergers. Situation continues to be monitored.	20%	
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CORPRISK14 **Establishing a group structure - Local Authority Trading Company** Council on 21st February 2018 approved a group structure of Local Authority Trading Companies. Risks associated with this separate legal entity include legal, financial, governance and reputational factors. These will need to be managed and mitigated on an ongoing basis to protect both the LATC's and the Council's position.

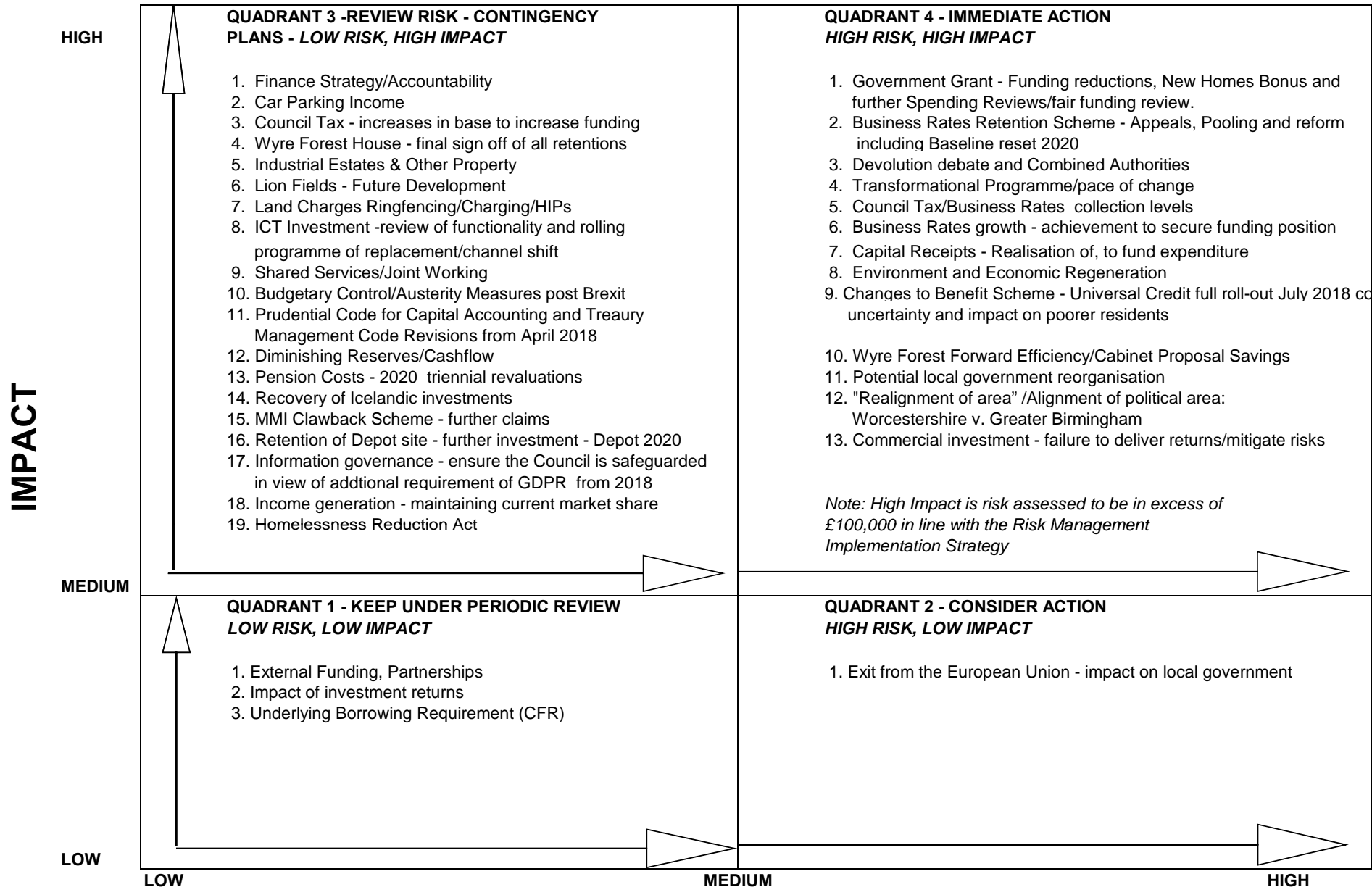
Original Matrix		Current Risk Matrix		Target Risk Matrix		
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MITIGATING ACTIONS					
Description	Managed By	Due Date	Latest Note		
That external advice is taken to ensure the Council acts within correct legislation on individual proposals as appropriate.	Mike Parker	31-Mar-2019	External advice from Mazars including Anthony Collins Solicitors confirms ability for Council to act within current legislation	0%	
Any financial transactions between the Council and the LATC e.g. lending through the Development Loan Fund will be subject to individual scrutiny and due diligence including financial viability sensitivity analysis before final decisions are proposed/taken.	Mike Parker; Tracey Southall	31-Mar-2019	Holding company now registered with Companies House, subsidiary to follow, no business conducted as yet. Details of company below: Name & Registered Office: Wyre Forest (Holdings) Limited Wyre Forest House Finpoint Way Kidderminster Worcestershire DY11 7WF	0%	

			Company No. 11451232		
Through the shareholder agreement and through the establishment of the business plan within which the LATC operates, the Council will be able to ensure that all financial arrangements are viable	Mike Parker	01-Sep-2018	Company now registered but no transactions taken place yet	<input type="text" value="0%"/>	
In the event that a catastrophic event requires it the LATC will be closed down - an exit strategy will be considered as a contingency plan to protect the Council against unknown events in the future.	Caroline Newlands; Mike Parker; Tracey Southall	31-Mar-2019	Company now registered but no transactions taken place yet	<input type="text" value="0%"/>	
The development activity of the LATC is financially self sustainable and not reliant upon funding from the Council	Tracey Southall	31-Mar-2019	Company now registered but no transactions taken place yet.	<input type="text" value="0%"/>	
The Council ensures that only those officers and members of the Council who are able to take objective decisions are appointed to the LATC	Caroline Newlands	31-Mar-2019	Achieved with first appointment made - delegated decision published.	<input type="text" value="0%"/>	
The LATC is able to purchase support from existing council officers until such time as it is able to or requires the appointment of its own staff	Mike Parker; Tracey Southall	31-Mar-2019	Company now registered but no transactions taken place yet.	<input type="text" value="0%"/>	
The LATC Business Plan identifies a suitable pipeline of development opportunities and this will be refreshed and updated on a regular basis.	Mike Parker	31-Mar-2019	Company now registered but no transactions taken place yet	<input type="text" value="0%"/>	
Changes to Prudential and Treasury Management Codes are considered in conjunction with the revised MHCLG Guidance on Investments and MRP and specific advice sought if further clarity is required on risk in relation to specific investment proposals in relation to the	Helen Ogram; Tracey Southall	31-Mar-2019	Company now registered but no transactions taken place yet with the company as property acquisitions are held in Council's name.	<input type="text" value="0%"/>	

LATC Group structure.					
Using the external advice from Mazars individual projects will be monitored as the LATC business progresses.	Caroline Newlands; Mike Parker; Tracey Southall	31-Mar-2019	Company now registered but no transactions taken place yet. So far the work that has been done has been to confirm the LATC was not the right vehicle to use for property proposals.	0%	
Further training and guidance will be taken to ensure sufficient knowledge is developed. The PWC VAT Helpline the Council already subscribes to will be used and other specialist advice taken as appropriate.	Helen Ogram; Tracey Southall	31-Mar-2019	Company now registered; no transactions yet taken place. Knowledge and learning is actively being progressed as part of work with PSP and also property acquisition work with the LATC perspective considered in each case but not utilised so far. To be included as part of due diligence in specific business case proposals.	0%	

BUDGET RISK MATRIX 2018/2021



RISK