

Leicester
City Council

MEETING OF THE AUDIT AND RISK COMMITTEE

DATE: WEDNESDAY, 1 JULY 2015

TIME: 5:30 pm

PLACE: Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Members of the Committee

Councillor Patel (Chair)

Councillor Malik (Vice-Chair)

Councillors Alfonso, Hunter, Singh-Johal and Westley

Members of the Committee are summoned to attend the above meeting to consider the items of business listed overleaf.

for Monitoring Officer

Officer contact: Angie Smith
Democratic Support, Democratic Services
Leicester City Council,
City Hall, 115 Charles Street, Leicester, LE1 1FZ
Tel. 0116 454 6354
Email. Angie.Smith@Leicester.gov.uk

Information for members of the public

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Further information

If you have any queries about any of the above or the business to be discussed, please contact Angie Smith, **Democratic Support** on (0116) 454 6354 or email Angie.Smith@leicester.gov.uk or call in at City Hall, 115 Charles Street.

For Press Enquiries - please phone the **Communications Unit** on 0116 454 4151

PUBLIC SESSION

AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business to be discussed.

3. MINUTES OF THE PREVIOUS MEETING

Appendix A

The Minutes of the previous meeting of the Audit and Risk Committee held on 31 March 2015 are attached, and Members will be asked to confirm them as a correct record.

4. UPDATE ON ACTIONS ARISING FROM THE OFSTED REPORT ISSUED IN MARCH 2015, AND DISCUSSION ON THE CHILDREN, YOUNG PEOPLE AND FAMILIES RISK REGISTER

Appendix B

The Strategic Director of Children's Services submits a report to provide information to the Audit and Risk Committee on work carried out to address the recommendations of the Ofsted report issued in March 2015, and the updated Strategic and Divisional Risk Registers and mitigating action. The Committee is recommended to receive the report and note its contents, and make any recommendations or comments it sees fit on the Strategic and Divisional Risk Registers.

5. REVIEW OF THE ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

Appendix C

The Director of Finance submits a report to Committee on the review of the Anti-Fraud, Bribery and Corruption Policy and Strategy. The purpose of the report is for the Committee to review and approve, on an annual basis, the Council's anti-fraud and corruption and whistle-blowing policies and procedures.

6. EXTERNAL AUDITOR'S ANNUAL AUDIT LETTER 2015-16

Appendix D

The External Auditor submits an Annual Audit Letter which summarises the audit work and fee proposed for the 2015/16 financial year at Leicester City Council. The Committee are asked to note the report.

7. ANNUAL APPROVAL OF THE POLICY FOR ENGAGEMENT OF EXTERNAL AUDITORS FOR NON-AUDIT WORK [Appendix E](#)

The Director of Finance submits a report to seek the Audit and Risk Committee's annual approval of the 'Policy for Engagement of External Auditors for Non-Audit Work'. The Committee is recommended to approve the policy.

8. PROPOSED SCHEDULE OF MEETINGS FOR THE FINANCIAL YEAR 2015-16 [Appendix F](#)

The Director of Finance presents to the Committee the schedule of meetings and suggested agendas for the Financial Year 2015-16. The Committee is recommended to note and accept the proposed plan and content, and raise any issues or questions with the report author of the Director of Finance.

9. RISK MANAGEMENT AND INSURANCE SERVICES UPDATE REPORT [Appendix G](#)

The Director of Finance submits a report that provides Committee with the regular update on the work of the Council's Risk Management and Insurance Services team's activities. The Committee is recommended to receive the report and note its contents, and make any recommendations or comments it sees fit either to the Executive or Director of Finance.

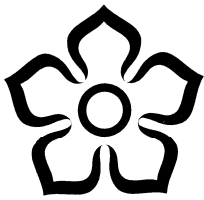
10. INTERNAL AUDIT - 2ND QUARTER OPERATIONAL PLAN 2015-16 [Appendix H](#)

The Director of Finance presents to Committee the detailed operational audit plan for the second quarter of the financial year 2015-16, agreed by the Corporate Management Team and the Finance Management Team. The Audit and Risk Committee are asked to note the Internal Audit operational plan.

11. REVIEW OF INTERNAL AUDIT

The Head of Internal Audit and Risk Management will provide a verbal update on the commencement of the review of Internal Audit.

12. ANY OTHER URGENT BUSINESS



Leicester
City Council

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: TUESDAY, 31 MARCH 2015 at 5:30 pm

P R E S E N T:

Councillor Westley (Chair)
Councillor Dr. Moore (Vice Chair)

Councillor Dr. Chowdhury

* * * * *

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Alfonso and Lynn Wyeth (Information Governance Manager), and Kamal Adatia (City Barrister and Head of Standards).

Councillor Westley thanked all Members for their attendance over the municipal year, and thanked Clair Pyper (Director, Children, Young People and Families), and Andy Keeling (Chief Operating Officer) for attending the meeting.

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

3. MINUTES OF THE PREVIOUS MEETING

The Committee received the minutes of the meeting held on 4th February 2015.

AGREED:

that the minutes of the previous meeting of the Audit and Risk Committee held on 4th February 2015 be confirmed as a correct record.

The Chair explained to the Audit and Risk Committee that he would take the agenda items out of the order listed on the published agenda notice.

4. RISK MANAGEMENT AND INSURANCE SERVICES UPDATE REPORT INCLUDING JANUARY RISK REGISTERS

The Director of Finance submitted a report which provided the Audit and Risk Committee with a regular update on the work of the Council's Risk Management and Insurance Services Team activities. The Committee was recommended to receive the report and note its contents, and make any recommendations it saw fit either to the Executive or Director of Finance.

The Head of Internal Audit and Risk Management introduced the report, and drew Members' attention to the following:

- The Risk Registers as at 31 January 2015 were presented at Appendix 1, Strategic Risk Register, and Appendix 2, Operational Risk Register.
- The level of submission of the Divisional risk registers to Risk Management and Insurance Services was 100%.
- A response from Housing was reported regarding gates on Charnwood Estate. A letter from the Coroner following an inquest requested that risk management processes be refreshed with staff in Housing. Five half-day training sessions covering 175 operatives had been delivered.
- Year on year insurance claims figures showed a decrease of 15%.
- Two cases had gone to Court since the last report, and both had been successfully defended, allowing a return to reserves of £45,000 and £26,500.
- Two significant events were reported, although neither required formal intervention by the Corporate Business Continuity team:
 - Power loss to the Customer Service Centre on 21 January 2015. Power was restored prior to opening, with no loss of service.
 - Final stage of demolition of New Walk Centre on 22 February 2015. Phoenix House remained closed on the Monday on the grounds of Health and Safety, due to rubble in front of the fire escape. The building opened as usual on the Tuesday.
- Key significant risk issues remained as reported at the last meeting of the Committee and included strike action affecting various unions.

Events under Horizon Scanning in the report were brought to Members' attention. Members made particular reference to the recent Ofsted visit and subsequent report, and the Safeguarding item listed in the LCC Strategic Risk Register. Members spoke of the concern they had for the safety of children in the city and the potential risk of harm to children, as outlined in the Ofsted report. They said Council delegated responsibility to the Committee to ensure there was robust risk management, and asked that not just Children's Services but Adult Services also were monitored, and stated that the strategic risk registers had some weight.

The Head of Internal Audit and Risk Management said firstly the key point made during the delivery of training was that, even the best risk assessment process in the world would not stop things from going wrong. He added that risk assessment was a point-in-time view of what was happening.

Secondly as a risk manager he was less worried about the content of the risk register than how risk management was embedded within the authority, and whether people knew how to identify risk.

The Head of Audit and Risk Management said when the quarterly risk registers come in from the 15 divisions, the Risk Management Team has to take them at face value, and if a low score was found, officers would go back to managers in the division to 'check and challenge' where time allowed. Training and tools for the undertaking of risk assessments were given to Directors, Heads of Service and Managers. In October 2014, the Head of Paid Service made the 'Identifying and Assessing Operational Risk' training, along with the use of the standard Board approved risk assessment form, compulsory for all staff who have to carry out risk assessments.

Members said the Strategic risk register contained in the report was completed and presented at the Audit and Risk agenda meeting, and was dated 31 January 2015, when concern was already felt, but the Committee did not think this concern was reflected within the risk register. They asked who had completed the document.

The Head of Paid Service said the register had been carried forward from the previous quarter. Members were told the local authority had an improving picture, though there were times where risk management activity became a lower priority in some areas. He said that as a result of the Ofsted report, the risk management process would be looked at to better embed it across all services. During discussion with Members, the Head of Paid Service suggested the following:

- A regular performance and risk meeting with the Corporate Management Team be arranged;
- Risk management to become part of his one-to-one meetings with directors;
- Strategic Directors to have the same conversations with their divisional directors;
- The Head of Paid Service relied on other people to look at their risk registers, and that they should be aware they were accountable.
- The risk register for Children's Services be brought to the Audit and Risk Committee in the new municipal year to look at in more detail.
- The Audit and Risk Committee could take the operational risk register and decide which risk assessments/registers they wanted to look at in more depth.

Members queried if the issue in Children's Services would have been picked up if Ofsted had not visited the authority. They also said changes should be made to stop what was suggested to be facile reporting, and real events should be reflected in the risk register. Members added if there had been a tragedy, they would have been held accountable also, and would make every effort to ensure risk was not ignored. They said every Scrutiny Committee should have a risk paper as part of a new form of governance. The Head of Internal Audit and Risk management said that a risk assessment should accompany any paper to any Board/Executive Group where decisions were to be taken as very little that

the Council does carries no risk.

Members asked that the new Committee in the new Municipal Year be introduced to the matrix used for risk measurement, but to also have a simpler method of traffic light colours (red, amber, green) used as a measurement of risk.

The Head of Paid Service said active consideration of risk and mitigation would be considered on a far more regular basis. He added the arising from the Ofsted report there were a number of issues for the body corporate to consider.

The Chair moved that the Audit and Risk Committee were satisfied by the assurances from the Head of Paid Service, and would be monitoring new arrangements in the future.

The Chair thanked the Head of Internal Audit and Risk Management for the report.

RESOLVED:

that the Committee:

1. receive the report and note its contents;
2. make any recommendations or comments it saw fit either to the Executive or Director of Finance.

5. ANNUAL REPORT - CERTIFICATION OF CLAIMS AND RETURNS (GRANTS) 2013/14

The External Auditor, KPMG presented a report that summarised the work of the auditor and findings from the Certification of Claims and Returns 2013/14, set out in two main parts: the value of Claims and Returns, and the Certification Work Fees.

It was reported that for 2013/14 one claim (Housing Benefit) with a total value of £139,172,604 and one return (pooling of Housing Capital Receipts) with a total of £6,926,042 were certified.

Consideration was given to the remainder of the report, which covered the following areas:

- Summary of certification of work outcomes;
- Fees;
- 2013/14 Certification of Claims and Returns Action Plan

The External Auditor informed the meeting that issues produced in the appendix to the letter were not new and came up year after year, and management comments were contained in the letter. No new significant issues had been identified for the year. It was acknowledged that officers dealing with benefits claims, particularly the Quality Assurance Team, took a professional attitude and were proactive in correcting errors found through additional testing.

Members were informed the fees set out in the letter confirmed that final fees were in line with the indicative fee set by the Audit Commission, and was reduced in 2013-14 as localisation of the Council Tax Benefit meant it was no longer part of the Housing Benefit subsidy claim.

Members asked how prior year recommendations were being addressed, particularly Point 2, Appendix 2, where the matter was still outstanding. The Director of Finance informed the meeting the issue referred to 2009 following a review of the benefits service. She said significant money had been injected into the service. The Quality Assurance Team handled a significant volume of transactions, and nine months of the year were spent servicing and auditing the grant claim. It was intended that a formal action plan would be drawn up in 2015, and the auditors would be asked to draw a line under the issue.

The Director of Finance also informed the meeting that discussions had taken place with KPMG to see if the Council could combine three or four tests to reduce the fee. Members were also told the Director of Finance had met with the Director General of the Department for Work and Pensions who were interested in looking at all aspects of the Council's work with auditors, particularly as the Council moved towards the introduction of Universal Credit. The Director of Finance said she was interested in looking at all aspects for different ways of working, as long as it did not impact on the Council's grant claim, and that service users did not suffer in terms of benefit processing. She added there was not a financial penalty for processing time, but there was for errors.

The Chair thanked the External Auditor for the report.

RESOLVED:

1. that the report be noted.

6. EXTERNAL AUDIT PLAN FOR FINANCIAL YEAR 2014-15

The External Auditor presented the External Audit Plan 2014/15, which supplemented the External Auditor's Audit Fee Letter 2014/15. The Plan set out the detailed audit plan for the external audit of the financial statements and the approach to value for money (VFM) work for the 2014/15 financial year.

Members considered the report in detail, which covered the following areas:

- KPMG's audit approach
- Key financial statements audit risks
- Value for money audit approach
- Audit team, deliverables, timescales and fees.

The stages of KPMG's audit approach were summarised in the report as follows:

- Planning
- Control evaluation

- Substantive procedures
- Other audit work

Members were asked to note the significant risks identified with regards to the following:

- Accounting for Local Authority Maintained Schools;
- The in-year change of banking services provider from Co-op to Barclays.

The External Auditor said an amendment to the report would be made as a risk in Children's Services had been identified and reported in a recent Ofsted report, and would have an impact on the value for money work and fee.

Members were also asked to note the External Auditor's approach to the Value for Money conclusion and audit of the Council's financial statements.

The Director of Finance said the change of bankers was a big project and the old Co-op bank account would remain open, and would run alongside the new Barclays bank account for approximately three months.

The Chair thanked the External Auditor for the report.

RESOLVED:

1. that the report be received and noted.

7. PROCUREMENT PLAN 2015-16

The Director of Finance presented a report on the Executive approval of a Procurement Plan, and informed the Audit and Risk Committee that the appendix to the report informing the City Mayor and Executive of major procurement activity was a management version, though the content was accurate. The Audit and Risk Committee were told an Executive Decision had already been taken before the pre-election period, as the original meeting date of Audit and Risk Committee had been changed.

The Director of Finance explained the Procurement Plan served two purposes, which included firstly meeting the statutory requirement to publish planned procurement over European Union thresholds, and to notify the market, and secondly to provide the Executive and others with an overview of significant procurement activity.

The Chair thanked the Director of Finance for the report.

RESOLVED:

1. that the report be received and noted.

8. UPDATE ON REGULATION OF INVESTIGATORY POWERS ACT (RIPA) STATISTICS AND PERFORMANCE REPORT - 1 JULY 2014 TO 31 DECEMBER 2014

The City Barrister and Head of Standards submitted a report on the performance of the Council in authorising Regulation Investigation Powers Act (RIPA) applications from 1 July 2014 to 31 December 2014. The report was presented by the Director of Finance.

The report advised that the Council had applied for no directed surveillance authorisations and no communications data authorisations in the second half of 2014. The meeting was also told that the Council currently had three trained Authorising officers in place, and the newly appointed Director of Environment was awaiting training.

The Chair thanked the Director of Finance for the report.

RESOLVED:

that the Committee

1. receive and note the report.
2. make any recommendations or comments it sees fit either to the Executive, or City Barrister and Head of Standards.

9. ANNUAL REVIEW OF THE COUNCIL'S ASSURANCE FRAMEWORK, LOCAL CODE OF CORPORATE GOVERNANCE AND THE AUDIT & RISK COMMITTEE'S TERMS OF REFERENCE

The Director of Finance and the City Barrister & Head of Standards submitted a report which sought the Committee's approval of updates to the assurance and corporate governance processes at the City Council, and the Committee's own terms of reference. The Audit Manager presented the report.

The Audit Manager referred to the Assurance Framework in Appendix 1 in the report, and the new professional standards terminology now reflected in the document. The diagram informed Members how the Council's corporate objectives and associated risk and assurance processes were tracked.

Members were informed there were no material changes, and only minor changes in terminology were proposed changes to the Local Code of Corporate Governance, and one minor change to the Committee's Terms of Reference which named the Public Sector Audit Appointments Ltd as successor body to the Audit Commission.

Members present at the meeting raised the point of who appointed the Chair and Vice-Chair of the Committee, and further information which detailed the procedure would be brought to a future meeting of the Audit and Risk Committee.

The Chair thanked the Audit Manager for the report.

RESOLVED:

that:

1. the Committee confirmed no material changes to the Assurance Framework were needed, and agreed that it shall form the basis on which the Council would compile its Annual Governance Statement for 2014-15.
2. the Committee confirmed that no material changes to the Local Code of Corporate Governance were needed.
3. the proposed minor amendment to the Committee's terms of reference be approved.
4. details of the procedure for the appointment of Chair and Vice-Chair to the Committee be brought to a future meeting.

10. ANNUAL REVIEW OF THE INTERNAL AUDIT CHARTER

The Director of Finance submitted a report which sought the Committee's approval of minor updates to the Internal Audit Charter, and was presented by the Audit Manager. The Audit and Risk Committee were recommended to approve the updated Internal Audit Charter and agree that it accurately reflected the terms of reference of the Internal Audit service.

Members were informed there were modest changes to the Charter which reflected changes in counter-fraud arrangements, and the position of Internal Audit within the organisation, with the inclusion of Monitoring Officer in reporting arrangements.

The Committee received the report, and agreed the recommendations as set out in the report.

RESOLVED:

1. that the Committee approve the updated Internal Audit Charter, and agree that it accurately reflected the terms of reference of the Internal Audit service.

11. INTERNAL AUDIT PLAN 2015-16

The Director of Finance submitted a report to the Audit and Risk Committee on the Internal Audit Plan for the financial year 2015-16 for approval, and sought views on priorities for Internal Audit work in the year ahead. The Committee were asked to consider and approve the Internal Audit Plan for 2015-16 and note the context and anticipated priorities for next year's audit work, and to make such comments and recommendations as they saw fit. The report was presented by the Audit Manager.

The Committee Members were informed there were significant uncertainties that precluded the preparation of anything more than an indicative audit plan, including budget pressures faced by Internal Audit and the forthcoming organisational and staffing review, the continuing pursuit of external fee-earning work, and the continuing reorganisations of services subject to audit.

The Chair thanked the Audit Manager for the report.

The Committee received the report, and agreed the recommendations as set out in the report.

RESOLVED:

that the Committee:

1. consider and approve the Internal Audit plan for the financial year 2015-16, and note the context and anticipated priorities for the next year's audit work.
2. make any comments and recommendations as they saw fit to the Director of Finance.

12. INTERNAL AUDIT - FIRST QUARTER OPERATIONAL PLAN 2015-16

The Director of Finance submitted a report to the Audit and Risk Committee on the Internal Audit Operational Plan for the first quarter of the financial year 2015-16. The report was presented by the Audit Manager. The Audit and Risk Committee were recommended to note the Internal Audit operational plan as attached to the report.

The Committee was asked to note the individual audits expected to be started in the first quarter of 2015-16, and attention was drawn to the audit of Significant Financial Systems and IT General Controls in Appendix A to the report.

Members made reference to the IT security review of Liquid Logic, which replaced the CareFirst system used in Social Care. They said the system had been highlighted as being delayed, and that people were not trained in its use. They added they were glad to see the issue had been given some attention. The Audit Manager informed those present that in a controlled, safe and agreed way, the security systems were tested to see if they could be accessed from the outside. The Audit Manager also drew attention to the audit of the Troubled Families Programme and the related grant certification.

Members were also informed of various reviews of Public Health, the scope of which would be determined with the Director of Public Health, and the request from the Leicester and Leicestershire Enterprise Partnership (LLEP) for Internal Audit support in the independent verification of grant-funded expenditure by the businesses supported.

The Chair thanked the Audit Manager for the report.

The Committee received the report, and agreed the recommendation as set out in the report.

RESOLVED:

that the Committee:

1. note the Internal Audit operational plan for the first quarter of 2015-16.

13. PROPOSED SCHEDULE OF MEETINGS FOR THE FINANCIAL YEAR 2015-16

The Head of Internal Audit and Risk Management presented to the Committee a proposed schedule of meetings and suggested agendas for the Financial Year 2015-16. The schedule reflected what had been undertaken in 2014-15 financial year, and identified what training might be required.

The Chair thanked the Head of Internal Audit and Risk Management for the report.

The Committee received the report, and agreed the recommendations as set out in the report.

RESOLVED:

that the Committee:

1. note and accept the proposed plan content; and
2. Raise any issued or questions with the Head of Internal Audit and Risk Management or the Director of Finance.

14. ANY OTHER URGENT BUSINESS

Members thanked the Director of Finance, the Head of Internal Audit and Risk Management and Audit Manager for their knowledge and assistance over the course of the municipal year.

The Chair thanked the Vice-Chair for her input into the Committee, and other Members of the Committee. He said the new committee members would face new challenges, and he wished them well.

15. CLOSE OF MEETING

The meeting closed at 7.07pm.

Appendix B



Update on Actions Arising from the Ofsted report issued in March 2015 and discussion on the Children, Young People and Families Risk Register

Audit and Risk Committee

Date : 1 July 2015

Lead Director: Frances Craven

Useful information

- Ward(s) affected:
- Report author: Clair Pyper
- Author contact details: 0116 454 0125
- Report version number plus Code No from Report Tracking Database:

Suggested content

1. Purpose of report

- 1.1 To provide the Committee with information about the work carried out to address the recommendations of the Ofsted report issued in March 2015; and the updated Strategic and Divisional Risk Registers and mitigating actions.

2. Summary

- This report is written specifically to update the Committee on the Ofsted Action Plan and the work of the Improvement Board.
- The Committee will receive updates on the Strategic and Divisional Risk Registers for the Children, Young People and Families Service through the regular reporting arrangements for the Corporate Risk Management Reporting process.
- The Children, Young People and Families Service can provide updates on specific areas requested by the Audit and Risk Committee.
- The Scrutiny Commission will be regularly updated on the progress of the Ofsted Action Plan and service performance relating to early help, children in need and child protection. The Corporate Parenting Forum will be regularly updated on the progress of the Ofsted Action Plan and service performance relating to looked after children.

3. Recommendations

The Committee is recommended to:

- 3.1 Receive the report on the Ofsted Action Plan and note its contents.
- 3.2 Make any recommendations or comments on the Strategic and Divisional Risk Registers.

4. Report/Supporting information including options considered:

- 4.1 The Ofsted 'Inspection of Services for Children in Need of Help and Protection, Children Looked After and Care Leavers' published on March 20th 2015, graded Leicester's children's services as 'inadequate'.
- 4.2 The Audit and Risk Committee considered the risk register relating to the service on 31st March 2015 and requested a report on the Ofsted findings and the actions taken to address them at the first Audit and Risk Committee in the new Council year.
- 4.3 Following any local authority being graded as 'inadequate' there are national requirements from the Department for Education (DFE) to establish an Improvement Board chaired by an experienced person approved by the DfE; and to submit an Improvement Plan to Ofsted by June 22nd 2015.
- 4.4 Leicester took pre-emptive action in seeking a Chair for the Improvement Board, and appointed Tony Crane, the ex-Director of Children's Services for East Cheshire, and an Adviser to the DfE on improvement work. Members of the Improvement Board include Cllr Russell as Lead Member for Children's Services, and Andy Keeling, Chief Operating Officer, and senior representatives of partner agencies, including health, schools, and police.
- 4.5 Three Improvement Board meetings have already taken place, starting in April. Some of the agenda items have been:
- The role of the Board and expectations of members to represent their agencies and assist in finding solutions.
 - Development of a performance and quality framework.
 - Examination of key performance areas and actions taken to improve them.
 - The workforce strategy and staffing.
 - Case file audits.
 - Contacts and referrals to the Duty and Advice Service.
- 4.6 In addition, Tony Crane is meeting key members of staff in LCC (Leicester City Council) and partner agencies, from front line staff to the Lead Member.
- 4.7 The Ofsted Action Plan, submitted to the DfE on 22.6.15 contains the Ofsted recommendations and the proposed actions against them; these will form the basis for the Improvement Board's progress monitoring.
- 4.8 There are also a number of internal controls in place to ensure that work on the Ofsted recommendations is progressing:
- The Operational Improvement Group which meets fortnightly, chaired by the Divisional Director, monitoring detailed service improvement plans for Early Help, Children in Need, Children Looked After and Workforce
 - The Performance Board which meets monthly, examining the monthly report on key performance indicators and any other significant areas of Performance and Quality including progress against the Workforce

- Strategy
- Service Performance Meetings in Early Help, CIN (Children in Need) and Children Looked After
 - Quality Assurance work being carried out to audit case files by external auditors
- 4.9 Work is also being carried out to improve the role and function of the Local Safeguarding Children Board, including a new Performance and Quality Framework which incorporates information from all partner agencies about their role in safeguarding children and young people in the City.
- 4.10 Work has been carried out to revise the Strategic and Divisional Risk registers; and develop a risk register as part of the Ofsted Action Plan. These can be made available to members of the Audit and Risk Committee as part of the report presented by Tony, is this you, and is this the best way to phrase it?

5. Financial, legal and other implications

5.1 Financial implications

- 5.1 The full financial implications of post Ofsted improvement work, both in terms of one off and long term investment will be brought to the Executive when finalised. Funding for one off investment is available from the Departmental Reserve. Long term investment will require funding to be identified from within the Department's revenue budget.

Martin Judson, Head of Finance
Ext: 37 4101

5.2 Legal implications

- 5.2 There are no direct legal implications arising.

Pretty Patel
Principal Lawyer (Social Care & Safeguarding)
Ext: 37 1457

5.3 Climate Change and Carbon Reduction implications

- 5.3 There are no significant climate change implications arising.

Louise Buckley, Senior Environmental Consultant (Climate Change),
Ext: 37 2293.

5.4 Equalities Implications

None

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Risk Management	Yes	All of the paper.

6. Background information and other papers:

Nil

7. Summary of appendices:

Nil

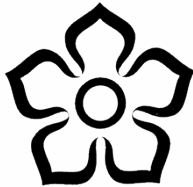
8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

No

10. If a key decision please explain reason



Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Audit and Risk Committee

19th June 2015

Review of the Anti-Fraud, Bribery and Corruption Policy and Strategy

Report of the Director of Finance

1. PURPOSE OF REPORT

- 1.1 The Terms of Reference of the Audit and Risk Committee include the requirement “To review and approve, on an annual basis, the Council’s anti-fraud and corruption and whistle-blowing policies and procedures”.
- 1.2 The purpose of this report is to present to the Committee a review of the Anti-Fraud and Corruption Policy and Strategy. The aim is to ensure that Members and Officers consider the provisions of the Bribery Act 2010, which came into force on 1 July 2011.
- 1.3 The revised Anti-Fraud and Corruption policy is supported by guidance notes for officers.
- 1.4 The purpose of the policy is to ensure that Members and Officers take the necessary steps to prevent, deter, detect and investigate fraud and that the Council has in place proper procedures to prevent corruption including bribery.

2. RECOMMENDATIONS

- 2.1 The Audit and Risk Committee is recommended to:
- a) Receive the report;
 - b) Approve the Anti-Fraud, Bribery and Corruption Policy; and,
 - c) Make any recommendations to the City Mayor and Cabinet or the Director of Finance.

3. SUMMARY

- 3.1 The Council has had an Anti-Fraud and Corruption Policy for a number of years and demonstrates its commitment to addressing fraud and corruption. The policy is reviewed annually and this latest review includes consideration of the new Bribery Act, introduced onto the Statute Book on 1 July 2011.
- 3.2 The amendments to the current Anti-Fraud, Bribery and Corruption Policy are to update the references to the Corporate Investigations Team and the updating of the annual audit commission report *Protecting the Public Purse*.
- 3.3 The revised Anti-Fraud, Bribery and Corruption Policy are included as Appendix 1 and recommendations for management action to prevent and deter bribery are included as Appendix 2.

4. REPORT

- 4.1 The prevention, detection and investigation of financial irregularities including fraud and corruption (which may involve bribery) are an important activity for local authorities.
- 4.2 The current economic climate may lead to an increase in fraud as some individuals struggle with increasing debt and lower incomes. Evidence of increased threat is reflected in the fact that in May 2011 the Secretary of State for Communities and Local Government identified Ten Ways to Tackle Fraud in the Public Sector and shortly after that the Cabinet Office published a further report entitled Eliminating Public Sector Fraud.
- 4.3 Business areas at risk of fraud are to be provided with mandatory awareness and refresher training, together with assistance in developing and pursuing preventative measures.

- 4.4 There have been a number of attempted frauds against the Council from external organisations. These include a number of invoices being received for goods neither ordered nor received, in some cases followed up by demands made by telephone. Fraud Warning Notices are posted on INTERFACE and the School's Extranet to alert employees of the danger.
- 4.5 The Anti-Fraud, Bribery and Corruption Policy, attached as Appendix 1 to this report, sets out the Council's stance on fraud and corruption, including bribery. Members and officers need to ensure that processes and procedures are in place to prevent, deter, detect and investigate fraud. Where the Council suffers loss, procedures for sanctions and recovery also need to be in place.
- 4.6 Any act of fraud by, on behalf of or against the Council, e.g. theft of monies, could fall within the ambit of this policy.
- 4.7 For the purposes of this report the terms fraud, bribery and corruption are defined as follows:
- a) Fraud – dishonestly making a false representation, failing to disclose information which there is a legal duty to disclose or abuse of position to make a gain for their self or another, or to cause loss to another or to expose another to a risk of loss.
 - b) Bribery - giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.
 - c) Corruption - Forms of corruption vary, but include bribery, extortion, cronyism, nepotism, patronage and embezzlement. By its nature corruption can be difficult to detect as it usually involves two or more people entering into a secret agreement.

5. THE BRIBERY ACT 2010

- 5.1 The Bribery Act received Royal Assent on 8 April 2010 and came into force on 1 July 2011.
- 5.2 The Act contains two general offences
- a. The offering, promising or giving of a bribe (active bribery); and
 - b. The requesting, agreeing to receive or accepting of a bribe (passive bribery).
- 5.3 It also sets out two further offences which specifically address commercial bribery. Section 6 creates an offence relating to bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business, and section 7 creates a new form of corporate liability for failing to prevent bribery on behalf of a commercial organisation.

- 5.4 Only a 'relevant commercial organisation' can commit an offence under section 7 of the Bribery Act. Whilst the Act does not specifically identify local authorities as commercial organisations, guidance from the Ministry of Justice would suggest that public authorities are included. The following paragraph from the Ministry of Justice Guidance sets out the Government's intention as regards the application of the phrase:
- 5.5 "As regards bodies incorporated, or partnerships formed, in the UK, despite the fact that there are many ways in which a body corporate or a partnership can pursue business objectives, the Government expects that whether such a body or partnership can be said to be carrying on a business will be answered by applying a common sense approach. So long as the organisation in question is incorporated (by whatever means), or is a partnership, it does not matter if it pursues primarily charitable or educational aims or purely public functions. It will be caught if it engages in commercial activities, irrespective of the purpose for which profits are made."
- 5.6 The Council already has in place some measures to prevent bribery. Failure to have measures in place, or widespread failure to follow procedures, may leave the Council liable to criminal proceedings.

6. REVIEW OF THE CURRENT ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

- 6.1 The revisions to the Anti-Fraud & Corruption Policy and Strategy (Appendix 1 – changes are highlighted in italics) and the report on Protecting the Public Purse (Appendix 2) are the starting point. However, the onus lies with Managers to ensure that they have in place processes that employees are aware of and follow, in order to ensure that the Council has in place sufficient measures to ensure compliance with the Bribery Act. Managers will need to carry out a fraud and bribery risk assessment to determine what steps they need to take.
- 6.2 The policy identifies the need to embed the risk of fraud and corruption, including bribery, into the culture of the organisation. Managers and employees are provided with advice and training to ensure that they consider ways to minimise the risks of fraud, bribery and corruption as part of their day-to-day duties. Guidance on this and further advice for managers is provided in documentation supporting the Policy as well as from the Corporate Investigations Team.
- 6.3 The Policy also identifies the need to provide adequate investigative resources to support managers in deterring, detecting and preventing fraud, bribery and corruption. This falls to two support / investigations teams in the council:

- a) The Corporate Investigations Team considers cases of suspected fraud and irregularity other than Council Tax and Housing Benefit. There are no direct comparisons with staffing levels of other local authorities. In addition to undertaking specific investigations, the Corporate Investigations Team support managers by providing advice, fraud awareness training and carrying out proactive work. The team co-ordinates the National Fraud Initiative (NFI) data matching exercise and measures and assesses the risk of fraud and corruption and exception reporting using council systems, e.g. exception reporting of payroll data may identify individuals who regularly receive amounts in excess of their contracted salary, indicating potential excessive amounts of overtime. Such reports may also reveal excessive expense claims or processing errors.
- b) The Revenue and Benefits Investigation Team investigates alleged Housing Benefit and Council Tax fraud. The Council has slightly below the average number of staff for benefit fraud investigators, in comparison to other members of the Chartered Institute of Public Finance and Accountancy (CIPFA) benchmarking group; nevertheless the team continue to maintain a high level of performance in combatting benefit fraud. Management continue to ensure that they receive regular training to remain compliant with any legislative change. Their performance remains consistently high against the national level in terms of number of benefits fraudsters identified and sanctioned.

7. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

7.1 Financial Implications

There are no direct financial implications arising from this report. However, theft, fraud and corruption, including bribery, are all offences of a financial nature and can cause significant financial loss to the Council.

Colin Sharpe, Head of Finance.

7.2 Legal Implications

The Bribery Act 2010 applies to the Council and/or senior Council personnel (Officers and/or Members) to the extent that it is covered by the offences of bribing another person, being bribed and bribing a foreign public official. Council Officers could be liable for offences committed with their 'consent or connivance'.

In addition, to the extent that it engages in commercial activities, the Council (and any company established by it) is also covered by an offence of failure to prevent bribery (subject to the defence that is available). A defence is available in respect of the offence of failing to prevent bribery if the Council (or company) can show that it had in place adequate procedures designed to prevent persons associated with the Council

from undertaking such conduct (bribery).

Guidance about commercial organisations preventing bribery may be issued from time to time and there needs to be a mechanism in place for adopting such guidance as and when it is issued.

Kamal Adatia, City Barrister & Head of Standards.

7.3 Climate Change Implications

There are no significant climate change implications arising from the attached report.

Louise Buckley, Senior Environmental Consultant (Climate Change), 372 293.

7.4 Equality Implications

There are no significant equality implications arising from the attached report.

Irene Kszyk, Corporate Equalities Lead.

8. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	No	
Policy	Yes	
Sustainable and Environmental	No	
Crime and Disorder	Yes	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	
Risk Management	Yes	

9. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972 PROTECTING THE PUBLIC PURSE 2014.

10. CONSULTATIONS

Risk Management & Insurance Services,
Legal Services, Revenues and Benefits,
Regeneration, Highways & Transportation, Environment Section, Equality.

11. REPORT AUTHOR

Stuart Limb, Corporate Investigations Manager 0116 4542615

Leicester City Council Anti-Fraud, Bribery and Corruption Policy and Strategy

1. Policy Statement

Leicester City Council is totally committed to maintaining a zero tolerance towards fraud, bribery and corruption and to the prevention, deterrence, detection and the investigation of all forms of fraud, bribery and corruption affecting its activities.

This policy applies equally to the City Mayor, Members and officers, agency staff, consultants, those contracted to deliver services for or on behalf of the Council and agents of the Council as well as to third parties including members of the public and third party organisations.

2. Policy Objectives

To establish and promote a culture of integrity, openness and honesty in the conduct of the Council's business, thereby reducing levels of fraud, bribery, corruption and financial irregularity by:

- Embedding risk management including fraud and bribery into the culture and operations of the Council.
- Providing a framework for managers to enable them to detect, deter and prevent fraud, bribery and corruption.
- Providing adequate professional investigative resources to deter, detect and prevent fraud, bribery and corruption.

3. Desired outcomes from the Policy

- Higher profile and awareness of fraud, bribery and corruption throughout the Council.
- Greater management awareness of the risks of fraud, bribery and corruption.
- Improved management controls arising from better risk assessments.
- Improved compliance with Council policy, procedures and practices, for example Finance Procedure Rules and Contract Procedure Rules, as evidenced by on-going management monitoring, Internal Audit reviews and the level of identified fraud and irregularity.

4. **Strategy**

In order to implement its policy objectives the Council will:

- Put in place a counter-fraud and corruption strategy linked to the Council's overall strategic objectives. The strategy will incorporate a Risk based approach to managing threats of bribery.
- Stimulate commitment from Members and officers to reduce fraud, bribery and corruption losses to an absolute minimum.
- Provide a dedicated professionally trained corporate investigations team.
- Raise awareness of fraud risks with new staff, existing staff and members.
- Ensure that policies and procedures designed to prevent and deter fraud; bribery and corruption are adopted and consistently implemented across the Council. This will be demonstrated by including the risk of fraud and bribery in operational risk registers and if appropriate the Strategic Risk Register.
- Ensure that any new policies and procedures consider the risk of fraud, bribery and corruption and are designed to minimise the risk of financial irregularity and loss.
- Utilise the full range of integrated actions available to prevent, deter, detect, sanction and seek redress for fraud, bribery and corruption.
- Measure the level of fraud and corruption across the Council and introduce and maintain measures to reduce it.
- Require support by Members and Directors to foster a zero tolerance culture against fraud, bribery and corruption throughout the organisation.
- Provide the necessary resources and appropriate authority to management and those tasked with countering and dealing with fraud, bribery and corruption.

5. Measuring success

The following indicators will be used to monitor the effectiveness of the Anti-Fraud and Corruption Policy and Strategy:

- The number of suspicions of fraud identified by the Corporate Investigations Team and the Revenue & Benefits Investigations Team.
- The number of cases investigated in which fraud or corruption is proven.
- The value of amounts misappropriated (of all kinds including employee time), both in absolute terms and as a proportion of the Council's annual budget.
- Periodic surveys by the Corporate Investigations Team to ascertain the level of management's awareness of fraud, bribery and corruption.
- Housing Benefit and Council Tax Benefit Fraud sanctions.
- The number of employees disciplined for offences involving fraud, bribery or corruption.

Summary and recommendations

This is the last report in the *Protecting the public purse (PPP)* series from the Audit Commission before we close in March 2015. It draws on the learning from the Commission's 25-year experience in counter-fraud in local government.

- The Commission published *PPP* reports from 1991 to 2000 and again from 2009 to 2014. *PPP* reports have:
 - raised awareness of the importance of fighting fraud;
 - promoted transparency and accountability about counter-fraud in local government bodies;
 - improved data on fraud detection, including benchmarking; and
 - promoted good practice in fighting fraud.

The scale of fraud against local government is large, but difficult to quantify with precision.

- In 2013, the National Fraud Authority estimated that fraud cost local government £2.1 billion, but this is probably an underestimate.
- Each pound lost to fraud reduces the ability of local authorities to provide public services.
- The more councils look for fraud, and follow good practice, the more they will find. Increasing levels of detection may be a positive sign that councils take fraud seriously rather than a sign of weakening of controls.

In total, local government bodies detected fewer cases of fraud in 2013/14 compared with the previous year, continuing the decline noted in *PPP 2013*. However, their value increased by 6 per cent.

- The number of detected cases fell by 3 per cent to just over 104,000, while their value increased by 6 per cent to over £188 million.
- The number of detected cases of **housing benefit and council tax benefit fraud** fell by 1 per cent to nearly 47,000, while their value rose by 7 per cent to nearly £129 million.
- The number of detected cases of **non-benefit** fraud fell by 4 per cent to just over 57,400, while their value rose by 2 per cent to £59 million.

In the past 5 years, councils have shifted their focus from benefit fraud to non-benefit fraud. From 2016, they will no longer deal with benefit fraud.

- Between 1991 and 2000, nearly all fraud detected by councils was for housing benefit and later council tax benefit. During this time, councils had financial incentives to look for those frauds.
- These incentives ended in 2006, and councils have increasingly focused on non-benefit fraud in the past five years. Benefit frauds still comprise 45 per cent of all cases of detected fraud, and 69 per cent of their value.
- By 2016, all benefit fraud investigation will have transferred from councils to the Single Fraud Investigation Service (SFIS), run by the Department for Work and Pensions. The government's funding of £16 million from 2014, awarded under competitive bidding, to help councils refocus their efforts on non-benefit fraud during the transition will end at the same time.

Councils will need to focus on the non-benefit frauds that present the highest risk of losses, including those that arise from the unintended consequences of national policies.

- Between 2009/10 and 2013/14, councils consistently detected more **council tax discount fraud** than any other type of non-benefit fraud. In the most recent year, nearly 50,000 cases were found, worth £16.9 million.
- Detected **Right to Buy** fraud cases have increased nearly five-fold since 2009/10 to 193 per year. In 2013/14 these were worth £12.3 million. The rise in the number of these frauds followed large increases in the discount threshold over this period.
- The number of detected cases of **social care** fraud has more than trebled since 2009/10 to 438. In 2013/14, they were worth £6.2 million.
- Detected cases of **insurance** fraud rose from 72 in 2009/10 to 226 in 2013/14 and were worth £4.8 million.

Overall, councils are detecting more non-benefit frauds, but detection rates for some types of frauds have fallen.

- In 2010/11, councils detected 319 cases of **business rates** fraud worth £5.7 million. In 2013/14, they detected 84 cases worth £1.2 million.
- In 2010/11, councils detected 145 cases of **procurement** fraud worth nearly £14.6 million. In 2013/14, they detected 127 cases worth less than £4.5 million.

- A small minority of 39 councils **failed to detect any non-benefit frauds** in 2013/14. This number is down by more than half since 2012/13, which is encouraging. Our experience suggests it is extremely unlikely that no non-benefit fraud occurred at these councils.
- Councils believe that organised criminals present a low risk of fraud, but there is concern that organised crime is more prevalent in procurement fraud.

Councils are detecting more housing tenancy fraud

- The number of social homes recovered from tenancy fraudsters increased by 15 per cent in the last year to 3,030.
- In 2013/14, councils outside London recovered more than two in five (40 per cent) of these homes. This represents a marked improvement in their performance. In 2009, when the Audit Commission's *PPP* reports first highlighted this issue, councils outside London accounted for less than 5 per cent of all social homes recovered.
- These figures do not include fraud against housing associations, which provide the majority of social homes.

. . . and more fraud in schools.

- Detected cases of fraud in maintained schools have risen by 6 per cent to 206, worth £2.3 million. We have no data on fraud in non-maintained schools.
- Most of these frauds were committed by staff, suggesting that some schools may have weak governance arrangements that mean they are more vulnerable to fraud.

Local government bodies have a duty to protect the public purse. A corporate approach to tackling fraud helps them to be effective stewards of scarce public resources and involves a number of core components.

- **Prevention and deterrence:** it is not currently possible to quantify accurately the financial benefit from deterring fraud, but professionals in the field believe the prospect of detection is the most powerful deterrent. Councils should widely publicise what fraud is, the likelihood of detection, and the penalties fraudsters face.
- **Investigation and detection:** between 2009/10 and 2013/14, the mean average number of full time equivalent (FTE) fraud investigators employed by councils declined steadily from 5.2 to 4.7, a fall of 10 per cent over the period. Our analysis suggests that a fall in FTE numbers is associated with lower fraud detection levels (see Chapter 4).

- **Recovery and redress:** after 2016, when central government no longer contributes funds for counter-fraud activity, councils will need to recover more losses than they have in the past. They can use legislation such as the Proceeds of Crime Act to do so.
- **Openness and transparency:** councils should look for fraud and record how many frauds they detect. Doing so would show leadership, allow them to compare their performance with other organisations, and alert them to emerging fraud risks more effectively.
- In 2013, only three in five (62 per cent) councils took up the offer of receiving one of the Commission's new **fraud briefings**, which contain comparative information on their detection levels.

From April 2015, the Commission's counter-fraud activities will transfer to new organisations.

- When the Commission closes, the National Fraud Initiative's (NFI) data matching service will transfer to the Cabinet Office.
- The remainder of our counter-fraud staff and functions, including the *PPP* series and fraud briefings, will transfer to the Counter Fraud Centre, run by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Recommendations

All local government bodies should:

- a) use our checklist for councillors and others responsible for audit and governance (Appendix 2) to review their counter-fraud arrangements (Para. 120);
- b) adopt a corporate approach to fighting fraud, to ensure they fulfil their stewardship role and protect the public purse from fraud (Para. 78);
- c) actively pursue potential frauds identified through their participation in the National Fraud Initiative (NFI) (Para. 6);
- d) assess themselves against the framework in CIPFA's new Code of Practice on Managing the Risk of Fraud and Corruption (Para. 115); and
- e) engage fully with the new CIPFA Counter Fraud Centre (Para. 132).

Councils in particular should:

- f) protect and enhance their investigative resources, so that they maintain or improve their capacity to detect fraud (Para. 100);
- g) be alert to the risk of organised crime, notably in procurement (Para. 31);
- h) be alert to the risks of fraud, particularly in growing risk areas such as Right to Buy (Para. 51) and social care (Para. 54);
- i) apply the lessons from the approach encouraged by *PPP* to tackle housing tenancy fraud, to other types of fraud (Para. 57);
- j) focus on prevention and deterrence as a cost-effective means of reducing fraud losses to protect public resources (Para. 80);
- k) focus more on recovering losses from fraud, using legislation such as the Proceeds of Crime Act (Para.114); and
- l) take up the Commission's offer of receiving a fraud briefing to help them benchmark their performance and promote greater transparency and accountability (Para. 129).

The government should consider:

- m) mandating local government bodies to complete the annual survey of detected fraud and corruption, to ensure it remains a comprehensive and robust source of data on fraud in the local public sector (Para. 125);
- n) extending the requirement to report information on detected cases of fraud to academies and free schools (Para. 48);
- o) commissioning research into the extent of the annual loss to local authority fraud and the costs and benefits of fraud prevention activities (Para. 83);
- p) encouraging CIPFA to use the detected fraud and corruption survey in the future to investigate the extent to which fraudsters use digital and on-line technology to defraud local government (Para. 85);
- q) extending powers for councils to investigate all frauds, to protect the public purse (Para. 91); and
- r) working with councils to anticipate and mitigate any unintended risks of fraud created by new policies (Para. 42).

Fighting Fraud Checklist for Governance

Protecting the public purse 2014

October 2014

i) General	Yes	No
1. Do we have a zero tolerance policy towards fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with Fighting Fraud Locally?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
3. Do we have dedicated counter-fraud staff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
4. Do counter-fraud staff review all the work of our organisation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
5. Does a councillor have portfolio responsibility for fighting fraud across the council?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
7. Have we received the latest Audit Commission fraud briefing presentation from our external auditor?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
8. Have we assessed our management of counter-fraud work against good practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
9. Do we raise awareness of fraud risks with:		
• new staff (including agency staff)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• existing staff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• elected members?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• our contractors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
10. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
11. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		

2014 Update	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
13. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
14. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
15. Do we have effective arrangements for:		
• reporting fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• recording fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
16. Do we have effective whistle-blowing arrangements? In particular are staff:		
• aware of our whistle-blowing arrangements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• confident in the confidentiality of those arrangements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• confident that any concerns raised will be addressed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
17. Do we have effective fidelity insurance arrangements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
ii) Fighting fraud with reduced resources		
18. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud, once SFIS has been fully implemented?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
19. Did we apply for a share of the £16 million challenge funding from DCLG to support councils in tackling non-benefit frauds after the SFIS is in place?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
20. If successful, are we using the money effectively?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
iii) Current risks and issues		
Housing tenancy		
21. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Previous action		
2014 Update		
22. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
Procurement		
23. Are we satisfied our procurement controls are working as intended?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
24. Have we reviewed our contract letting procedures in line with best practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
Recruitment		
25. Are we satisfied our recruitment procedures that:		
• prevent us employing people working under false identities?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• confirm employment references effectively?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• ensure applicants are eligible to work in the UK?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• require agencies supplying us with staff to undertake the checks that we require?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
Personal budgets		
26. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
27. Have we updated our whistle-blowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
Council tax discount		
28. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
Housing benefit		
29. When we tackle housing benefit fraud do we make full use of:		
• The National Fraud Initiative?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		

• The Department for Work and Pensions Housing Benefit matching service?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• internal data matching?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• private sector data matching?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
iv) Other fraud risks		
30. Do we have appropriate and proportionate defences against the following fraud risks:		
• business rates?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• Right to Buy?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• council tax reduction?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• schools?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• grants?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		

Source: Audit Commission (2014)



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Mr A Keeling
Chief Operations Officer
Leicester City Council
New Walk Centre
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Leicester, LE1 6ZG

Our ref jc/dc/51

24 April 2015

Dear Andy

Annual audit fee 2015/16

I am writing to confirm the audit work and fee that we propose for the 2015/16 financial year at Leicester City Council.

Closure of the Audit Commission

Although the Audit Commission formally closed at the end of March 2015, it was responsible for setting audit fees for the audit of the 2015/16 financial year. Our fee proposals are therefore based on the Audit Commission's *Work Programme & Scales of Fees 2015/16*.

Following the closure of the Audit Commission, responsibility for determining audit fees in the future has transferred to Public Sector Audit Appointments Limited (PSAA), an independent company established by the Local Government Association. PSAA will oversee the management of the Audit Commission's audit contracts until they end in 2017, or 2020 if they are extended. The Secretary of State for Communities and Local Government has delegated certain functions formerly exercised by the Audit Commission to PSAA to enable it to deliver these functions.

Also following the Audit Commission's closure, the National Audit Office (NAO) is now responsible for producing and maintaining the Code of Audit Practice (the Code) and providing supporting guidance to auditors. We will follow the requirements of the Code and supporting guidance when delivering our audit work.

Planned audit fee

The planned audit and certification fees for 2015/16 are shown below, along with a comparison to the prior year's fee. All fees are exclusive of VAT.

Audit area	Planned fee 2015/16	Planned fee 2014/15
Code of Audit Practice audit fee – Leicester City Council	£146,603	£194,400
Certification of grant claims & returns	£58,505	£70,380

In general, the Audit Commission set 2015/16 scale fees based on a reduction of 25 per cent to the fees applicable for 2014/15. This reduction is in addition to the savings of up to 40 per cent in scale audit fees and certification fees in 2012. The planned fee is in line with the scale fee.

As we have not yet completed our audit for 2014/15 the audit planning process for 2015/16, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary. We will naturally keep you informed.

Factors affecting audit work for 2015/16

We tailor our work to reflect local circumstances and our assessment of audit risk. We do this by assessing the significant financial and operational risks facing an audited body, and the arrangements it has put in place to manage those risks, as well as considering changes affecting our audit responsibilities or financial reporting standards.

The Chartered Institute for Public Finance and Accountancy (CIPFA) has confirmed that a change in accounting policy will be introduced for the accounts from 2016/17, in relation to the measurement of transport infrastructure assets for authorities with highways responsibilities. Fees for any additional audit work required in 2015/16, the preparatory year, in relation to disclosures in the financial statements, will be subject to approval under the normal fee variations process. The Audit Commission decided that it was not appropriate to increase scale fees because the amount of work required at individual authorities will vary based on local circumstances, and may not be required for more than one year.

Under the Code, we have a responsibility to consider an audited body’s arrangements to secure economy, efficiency and effectiveness in its use of resources. The 2015/16 fees have been set on the basis that the NAO’s Code maintains the scope of work required by auditors under the Audit Commission’s previous Code and supporting guidance. The NAO has not yet published guidance for auditors on the required approach to work on value for money arrangements for 2015/16.

Certification work

As well as our work under the Code, we will certify the 2015/16 claim for housing benefit subsidy to the Department for Work & Pensions.

There are no longer any other claims or returns that we are required to certify under the PSAA audit contract. Assurance arrangements for other schemes are a matter for the relevant grant-paying body, and may be the subject of separate fees and tri-partite arrangements between the grant-paying body, the audited body, and the auditor. We would be happy to discuss any such certification needs with you.

Assumptions

The indicative fees are based on a number of assumptions, including that you will provide us with complete and materially accurate financial statements with good quality supporting working papers, within agreed timeframes. It is imperative that you achieve this. If this is not the case and we have to complete more work than was envisaged, we will need to charge additional fees for this work. Our assumptions are set out in more detail in Appendix 1 to this letter.

In setting the fee at this level, we have assumed that the general level of risk in relation to the audit of the financial statements and certification work is not significantly different from that identified for the current year's audit. A more detailed audit plan will be issued later this year. This will detail the risks identified, planned audit procedures and (if required) any changes in fee. If we need to make any significant amendments to the audit fee during the course of the audit, I will first discuss this with you and then prepare a report for the Audit and Risk Committee, outlining the reasons why the fee needs to change.

We expect to issue a number of reports relating to our work over the course of the audit. These are listed at Appendix 2.

The proposed fee excludes any additional work we may agree to undertake at the request of Leicester City Council. Any such piece of work will be separately discussed and a detailed project specification agreed with you.

Our team

The key members of our audit team for the 2015/16 audit are:

Name	Role	Contact details
John Cornett	Director	John.Cornett@kpmg.co.uk 0116 256 6064
Adrian Benselin	Manager	Adrian.Benselin@kpmg.co.uk 0116 256 6089
Vikash Patel	Assistant Manager	Vikash.Patel@kpmg.co.uk 0116 256 6069

Quality of service

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact me and I will try to resolve your complaint. If you are dissatisfied with your response please contact the national contact partner for all of KPMG's work under our contract with PSAA, Trevor Rees (on 0161 246 4063, or by email to trevor.rees@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to:

Public Sector Audit Appointments Limited
3rd Floor
Local Government House
Smith Square
London
SW1P 3H

Yours sincerely



John Cornett
Director

cc: Alison Greenhill, Director of Finance

Appendix 1 – Audit fee assumptions

In setting the fee, we have assumed that:

- the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2014/15;
- you will inform us of significant developments impacting on our audit work;
- internal audit meets the appropriate professional standards;
- you will identify and implement any changes required under the CIPFA IFRS-based Code of Practice on local Authority Accounting within your 2015/16 financial statements;
- your financial statements will be made available for audit in line with the timetable we agree with you;
- good quality working papers and records will be provided to support the financial statements in line with our *prepared by client* request and by the date we agree with you;
- requested information will be provided within agreed timescales;
- prompt responses will be provided to draft reports;
- complete and accurate claims and returns are provided for certification, with supporting working papers, within agreed timeframes; and
- additional work will not be required to address questions or objections raised by local government electors or for special investigations such as those arising from disclosures under the Public Interest Disclosure Act 1998.

Improvements to the above factors may allow reductions to the audit fee in future years. Where these assumptions are not met, we will be required to undertake additional work and charge an increased audit fee. The fee for the audit of the financial statements will be re-visited when we issue the detailed audit plan.

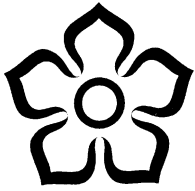
Any changes to our audit plan and fee will be agreed with you. Changes may be required if:

- new residual audit risks emerge;
- additional work is required by KPMG, PSAA, the NAO or other regulators; or
- additional work is required as a result of changes in legislation, professional standards or as a result of changes in financial reporting.

Appendix 2: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Audit and Risk Committee.

Planned output	Indicative date
External audit plan	January 2016
Report to those charged with governance (ISA260 report)	September 2016
Auditor's report giving the opinion on the financial statements, value for money conclusion and audit certificate	September 2016
Opinion on Whole of Government Accounts return	September 2016
Annual audit letter	September 2016
Certification of grant claims and returns	November 2016



Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Audit & Risk Committee

1 July 2015

Annual Approval of the Policy for Engagement of External Auditors for Non-Audit Work

Report of the Director of Finance

1. Purpose of Report

- 1.1. To seek the Audit and Risk Committee's approval of the *Policy for Engagement of External Auditors for Non-Audit Work*.

2. Recommendations

- 2.1. The Committee is recommended to approve the attached *Policy for Engagement of External Auditors for Non-Audit Work*.

3. Summary

- 3.1. At its meeting, on 25 June 2014, the Audit and Risk Committee approved the *Policy for Engagement of External Auditors for Non-Audit Work*. This was the second occasion this policy had been presented to this Committee.
- 3.2. The Audit and Risk Committee's Terms of Reference (and this policy itself) require this policy to be reviewed and approved annually.

4. Report

- 4.1 See attached policy for Engagement of External Auditors for Non-Audit Work at **Appendix 1**.
- 4.2 The purpose of this is:
 - To protect the Council's interests by ensuring that any such work is properly arranged and approved
 - To protect the external auditor's independence and objectivity.
- 4.3 This policy does not replace the Council's existing Procurement processes, but adds an extra layer of security into that process where the External Auditors are concerned. The Policy outlines the approval processes and corporate reporting mechanisms that will be put in place for any non-audit work that the External Auditors are asked to perform.

- 4.4 The role of the Committee in the approval process for non-audit work by the external auditor is included in the Terms of Reference for the Committee. These are also reviewed and approved annually.
- 4.5 The policy has been reviewed and there are no changes proposed to this policy this year (as last year).
- 4.6 The Committee are reminded of the work undertaken by KPMG in the past Financial Year that was not directly linked to their audit:
 - Financial Evaluation Processes. Requested by the Executive to fend off any potential Judicial review - £10,200

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

None specific beyond the statutory duties to maintain effective arrangements for financial administration, prepare and publish financial statements and submit them for audit.

5.2. Legal Implications

KPMG’s responsibilities as the Council’s external auditors are set out in the Audit Commission Act 1998 and the Audit Commission’s *Code of Audit Practice*. The Council’s requirements for preparing and publishing its financial statements and annual governance statement, which are subject to external audit, are set out in the Accounts and Audit (England) Regulations 2011.

6. Other Implications

Other Implications	Yes/No	Paragraph or references within the report
Equal Opportunities	No	
Climate Change	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	
Risk Management	Yes	The report concerns the Council’s governance and assurance processes, a purpose of which is to give assurance that risks are being managed appropriately by the business.

7. Report Author

Tony Edeson, Head of Internal Audit and Risk Management – 37 1621

Policy for Engagement of External Auditors for Non-audit Work

1. Introduction and purpose of this policy

It is important that the independence of our external auditors in reporting to those charged with governance and to management of Leicester City Council (the Council), does not appear to be compromised but equally the Council should not be deprived of expertise where it is needed and can be leveraged from KPMG as a whole.

This policy therefore seeks to set out what threats to audit independence theoretically exist and thus provides a definition of non-audit work which can be shared by the Council and KPMG. It then seeks to establish the approval processes and corporate reporting mechanisms that will be put in place for any non-audit work that KPMG is asked to perform.

2. Threats to independence

The Institute of Chartered Accountants in England and Wales sets out threats to independence as:

Self interest	Where an interest in the outcome of their work or in a depth of relationship with the Council may conflict with the auditors' objectivity
Self-Audit	where the auditors may be checking their own colleagues work and might feel constrained from identifying risks and shortcomings
Advocacy	may be present in an engagement but could become a threat if an auditor becomes an advocate for an extreme position in an adversarial matter
Familiarity	where the level of constructive challenge provided by the auditor is diminished as a result of assumed knowledge or relationships that exist

3. Defining types of non-audit work and the associated approval process

In order to provide the Council with a transparent mechanism by which non-audit work can be reviewed and progressed without too great an administrative burden falling on the Council, the following three categories of work have been agreed as applying to the professional services available from KPMG:

3.1. *Statutory and audit related work not requiring Audit and Risk Committee approval*

There are certain projects where the work is clearly audit related and the external auditors are best placed to do the work e.g. acting as agents to the Audit Commission for grants certification work.

Policy for Engagement of External Auditors for Non-audit Work

It is proposed that such assignments do not require Audit and Risk Committee approval. However, recognising that the level of non-audit fees may also be a threat to independence, a limit of £97,200 is set, above which prior Audit and Risk Committee approval should be sought for such work.

3.2 *Audit related and advisory services requiring prior Audit and Risk committee approval*

There are projects and engagements where the auditors are best placed to perform the work:

- Due to their network within and knowledge of the business (e.g. taxation advice, due diligence and accounting advice);
- Due to their previous experience or market leadership.

It is proposed that prior Audit and Risk Committee approval is sought for projects of this nature.

3.3 *Projects that are not permitted*

There are some projects that are not to be performed by the external auditors. These projects represent a real threat to the independence of the audit team such as where the external auditors would be in a position where they are auditing their own work (for example, systems implementation).

The Audit and Risk Committee is responsible for approving all non-audit work undertaken by the external auditors and reporting any instances to the Council. These proposed categories of non-audit work along with the related approval levels are set out below. More detail on each type of work is set out in Appendix A.

For the avoidance of doubt, seeking approval from the Audit and Risk Committee involves the business sponsor of the proposed work obtaining a proposed scope and fee estimate from KPMG before the work commences. If the fee exceeds the proposed limits or falls into a category of work that requires approval, details of the scope and fee proposal should be submitted to the Audit and Risk Committee Chairman and Director of Finance. If approved, the project should be logged by the Audit and Risk Committee secretary to be raised at the next Audit and Risk Committee meeting in order that a schedule of non-audit fees can be maintained and Council updated.

In cases where it is undecided which category services fall into they will default to the category that requires Audit and Risk Committee approval and be expected to take that route until such as time as this policy is reviewed and updated by the Audit and Risk Committee.

Policy for Engagement of External Auditors for Non-audit Work

4. Reviewing and updating this policy

KPMG will include within our annual ISA 260 report (report to those charged with governance) an appendix that summarises any additional work that they have performed for the Council and a review of the effectiveness of this policy.

The Audit and Risk Committee will formally agree on an annual basis that it is content with the structure, content and operation of this policy.

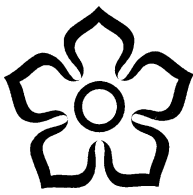
Examples of Work Types

The table below sets out examples of the different work types that could be requested from KPMG. As it would not be practical to consider all the services provided by KPMG we have documented the characteristics that drive the classification of services into the different work steams. This table is intended to provide illustrative examples of how the implementation of this policy would be approached should the Council request assistance from KPMG.

	Statutory and audit related (Not requiring Audit and Risk Committee approval, unless in excess of £97,200)	Audit and assurance related and non-audit advisory services (Sensitive projects requiring referral without de minimis)	Projects that are not permitted
Characteristics	<ul style="list-style-type: none"> Advice on areas core to the financial statements audit 	<ul style="list-style-type: none"> Requiring independent objective assessment of information or procedures Staff secondments Other advisory services 	<ul style="list-style-type: none"> Participation in management
Acquisitions / Disposals	<ul style="list-style-type: none"> Accountants reports Reporting on financial assistance Audit of carve out financial statements 	<ul style="list-style-type: none"> Due diligence and related advice Completion accounts audit Agreement of price adjustment as a result of completion accounts Advice on integration activities Preparation of forecast of investment proposals 	
Internal Audit and Risk Management Services	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Provision of specialist skills / training Advice on methodology and systems Co-sourcing Advice and design of policies, systems or procedures. 	<ul style="list-style-type: none"> Full outsourcing Systems implementation
Taxation	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Preparation of draft returns Submission of returns and correspondence with tax authorities Advice on tax matters Transfer pricing Valuation for the purposes of taxation 	<ul style="list-style-type: none"> Preparation of accounting entries for tax Handling taxation payments

Examples of Work Types

	Statutory and audit related (Not requiring Audit and Risk Committee approval, unless in excess of £97,200)	Audit and assurance related and non-audit advisory services (Sensitive projects requiring referral without de minimis)	Projects that are not permitted
General Accounting	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Advice on accounts preparation and application of accounting standards • Training for accounting and risk management projects • Booking keeping services 	<ul style="list-style-type: none"> • Preparation of accounting entries • Preparation of financial information



Leicester
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All

Appendix F

FORWARD TIMETABLE OF CONSULTATION AND MEETING

Audit and Risk Committee

1 July 2015

Proposed Schedule of Meetings for the Financial Year 2015-16

Report of the Director of Finance

1. Purpose of Report

- 1.1. To present to the Committee a proposed schedule of meetings and suggested agendas for the Financial Year 2015-16.

2. Recommendations (or OPTIONS)

- 2.1. The Committee is recommended to:-

- Note and accept the proposed plan content – Appendix 1; and,
- Raise any issues or questions with the report author or the Director of Finance.

3. Summary

- 3.1. The meetings of the Committee have traditionally been scheduled based on historic occurrence, with each meeting agenda following the same pattern. For the first time last year the Committee were presented with a plan for the following year in its last meeting of the current financial year. This allowed the established members to agree on the forward format of meetings – both timing and agendas – based on their experience throughout the past year.
- 3.2. The second such report for the Committee meetings for the Financial Year 2015/16 was presented to, and approved by, the 'outgoing' Committee at their meeting on 31 March 2015. The plan is presented here for the benefit of members new to the Committee to allow them to get a 'flavour' of 'what is to come'.

4. Report

- 4.1. For many years the Audit and Risk Committee meetings have been scheduled to take place around the same time each year based on past occurrence. Similarly, the agenda for these meetings has followed the same pattern.
- 4.2. By changing this approach, members have the opportunity to feed in their thoughts and comments relating to both the timing (and number) of meetings as well as the agenda content. By trying to bring to as many meetings as possible, papers that are similar in nature or content to the same meeting, it is hoped that this will make life a little easier for members to understand and digest their content. This means that, wherever possible, all of the papers and reports aligned to Fraud Prevention activity will come to the same meeting(s) for example.
- 4.3. This approach also makes it easier to schedule the 'training' or 'briefing' session at the start of each meeting to assist members with their understanding of the papers that they will later be reviewing and discussing. Wherever possible, the pre-meeting training session will cover a topic that will appear on that meetings agenda.
- 4.4. The timing of this report is also important to ensure that existing Committee members, who will have 'served' at least a year on the Committee, are making these decisions rather than bringing the report to the first meeting of the new financial year when there may be a number of new members with limited knowledge of the Committee and its aims and objectives.
- 4.5. The proposed plan, as approved subject to minor timing changes subsequently, is attached as Appendix 1.

5. FINANCIAL AND LEGAL IMPLICATIONS

5.1. Financial Implications

- 5.1.1 There are no financial implications of note relating to this paper.
Colin Sharpe, Head of Finance – 37 4081.

5.2. Legal Implications

- 5.2.1 There are no legal implications of note relating to this paper.
Kamal Adatia, City Barrister and Head of Standards – 37 1401.

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Risk Management	Yes	All of the paper.
Climate Change	No	
Equal Opportunities	No	
Policy	Yes	All of the paper.
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

7. Report Author

7.1. Tony Edeson, Head of Internal Audit and Risk Management – 37 1621

3 June 2015.

APPENDIX 1 - AUDIT & RISK COMMITTEE 2015-16 - ANNUAL TIMETABLE (OUTLINE)

	Author	Notes, frequency	Purpose
1 July 2015			
Theme: Setting the scene for the forthcoming year			
Training Session Prior to Main Meeting: What Makes an Effective Audit and Risk Committee	Head of Internal Audit and Risk Management		Training
Update on Actions Arising from the OFSTED Report Issued in March 2015 and discussion on the Children, Young People and Families Risk Register	Director, Children, Young People and Families	One - Off	Committee to Note
Anti-Fraud, Bribery & Corruption Strategy and Policy - annual review and update.	Head of Revenues & Benefits	Annual	Approve
Annual Audit Fees Letter setting out the proposed Audit Work and draft fee for the 2015/16 Financial Year	External Auditors	Annual	Committee to Note
Annual Approval of the Policy covering non-audit Work undertaken by the External Auditors	Head of Internal Audit & Risk Mgt	Annual	Approval
Confirmation of A&RC Planned Agendas for 2015/16	Head of Internal Audit & Risk Mgt	Annual	Committee to note
Risk Management and Insurance Services - Update report including April RRs	Head of Internal Audit & Risk Mgt	Quarterly	Committee to note
Internal Audit Plan Q2 2015/16	Head of Internal Audit & Risk Mgt Audit Manager	Quarterly	Committee to note
Verbal Update on the Review of Internal Audit	Head of Internal Audit & Risk Mgt	One - Off	Committee to Note
12 August 2015			
Theme: The Council's draft accounts and reporting back on the last financial year			
Training Session Prior to Main Meeting: The Council's Statutory Statement of Accounts	Principal Accountant		Training
Update on RIPA Stats and Performance Report covering period 1 January 2015 to 30 June 2015	Information Governance Manager	Annual	Committee to note
Report on the banking Transition/Change	Principal Accountant	One - Off	Committee to Note
Counter-Fraud/Housing and Council Tax Fraud Annual Report for the Financial Year 2014-15	Principal Investigations Officer Head of Revenues & Benefits	Annual	Committee to note

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APPENDIX 1 - AUDIT & RISK COMMITTEE 2015-16 - ANNUAL TIMETABLE (OUTLINE)

Draft Statutory Statement of Accounts for the financial year 2014-15	Director of Finance	Annual	Committee to note
Review of the Effectiveness of System of Internal Audit in 2014-15	Director of Finance	Annual	Approval
PSIAS Quality Assurance and Improvement Plan	Director of Finance	One - Off, but potentially tri-Annual	Committee to note
Annual Review of Internal Audit Charter	Head of Internal Audit & Risk Mgt Audit Manager	Annual	Approval
Internal Audit Update Report for Q4 2014/15	Head of Internal Audit & Risk Mgt Audit Manager	Quarterly	Committee to note

29 September 2015

Theme: Statutory final accounts and governance reporting on the last financial year

Auditor's Report - including audit opinion on the Financial Statements and VFM conclusion	External Auditor	Annual	Note
Annual Governance Report - ' <i>Report to Those Charged with Governance</i> ' (External Auditor)	External Auditor	Annual	Approval
The Council's Draft Annual Governance Statement for the financial year 2014-15	Monitoring Officer Head of Internal Audit & Risk Mgt Audit Manager	Annual	Approval
The Statement of Accounts, Annual Governance Report and Letter of Representation	Director of Finance Principal Accountant (Fin Strategy)	Annual	Approval
Draft of the Committee's Annual Report to Council for the financial year 2014-15	Head of Internal Audit & Risk Mgt Audit Manager	Annual	Approval
Internal Audit Annual Report and Opinion for the financial year 2014-15	Head of Internal Audit & Risk Mgt Audit Manager	Annual	Committee to note
Annual Review of Internal Audit Strategy	Head of Internal Audit & Risk Mgt Audit Manager	Annual	Approval
Risk Management and Insurance Services - update report, including: - July Risk Register update - Draft Risk Management Strategy 2016 - for Committee comment - Draft Business Continuity Management Strategy and Policy 2016 - Committee comment	Head of Internal Audit & Risk Mgt	Quarterly	Committee to note

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APPENDIX 1 - AUDIT & RISK COMMITTEE 2015-16 - ANNUAL TIMETABLE (OUTLINE)

2 December 2015 Theme: Audit, Risk and Fraud			
Training session prior to main meeting: Update on DCLG Fraud Funding work .	Head of Revenues & Benefits		Training
Half Yearly Update Report on the Procurement Plan	Head of Corporate Procurement	Annual	Committee to note
Annual Review of Internal Audit Strategy	Head of Internal Audit & Risk Mgt Audit Manager	Annual	Approval
External Auditor's Annual Audit Letter 2014-15 summarising results of the audit for 2014/15	External Auditor	Annual	Committee to note
Counter-Fraud/Housing and Council Tax Fraud - half-yearly update report for the period 1 April 2015 to 30 September 2015	Head of Revenues & Benefits	Half-yearly	Committee to note - B Agenda?
Internal Audit Update Report Q1 and Q2 2015-16	Head of Internal Audit & Risk Mgt Audit Manager	Quarterly	Committee to note
Internal Audit - Plan Q3 and Q4 2015-16	Head of Internal Audit & Risk Mgt Audit Manager	Quarterly	Committee to note
Risk Management and Insurance Services - update report, including: - October Risk Register update - Risk Management benchmarking results update report	Head of Internal Audit & Risk Mgt	Annual	Committee to note
10 February 2016 Theme: Fraud including Policy updates for next year and Internal Audit planning			
Training session prior to main meeting: Public Health Update .	Director of Public Health		Training
Update of the Council's Finance Procedure Rules	Principal Accountant	One-Off	Committee to Note
Procurement Plan 2016-17	Head of Corporate Procurement	Annual	Committee to note
Update on RIPA Stats and Performance Report covering period 1 July 2015 to 31 December 2015	Information Governance Manager	Annual	Committee to note
Annual Report on the National Fraud Initiative	Head of Revenues & Benefits Fraud Manager	Annual	Committee to note

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APPENDIX 1 - AUDIT & RISK COMMITTEE 2015-16 - ANNUAL TIMETABLE (OUTLINE)

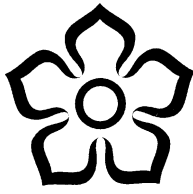
DCLG Fraud Award - Update (requested at February 2015 meeting)	Fraud Manager	One-Off	Committee to Note
Risk Management and Insurance Services Update report including - RM and BCM Strategy and Policy 2016; January Risk Registers (subject to timing)	Head of Internal Audit & Risk Mgt	Quarterly	Committee to note
Internal Audit Draft Annual Generic plan for 2016-17	Audit Manager	Annual	Consultation Committee to note

23 March 2016

Theme: Wrap-up and next year's governance and assurance framework

Annual Report - Certification of Claims and Returns (Grants)	External Auditor	Annual	Committee to note
External Audit plan for financial year 2015-16	External Auditor	Annual	Committee to note
The Assurance Framework on which we will base the Annual Governance Statement for the current financial year, including annual review of Local Code of Corporate Governance and the annual review of the-Committee's Terms of Reference	Head of Internal Audit & Risk Mgt Audit Manager City Barrister (Monitoring Officer)	Annual	Approval
Internal Audit Generic Plan 2016-17 - final for approval - including Q1 2016-17 Specific Plan	Head of Internal Audit & Risk Mgt Audit Manager	Annual	Approval
2016-17 A&RC Planned Agendas and Meeting Dates - draft	Head of Internal Audit & Risk Mgt Audit Manager	Annual	Committee to note and comment
Risk Management and Insurance Services - update report inc January Risk Registers (if timing allows this to go to February meeting, this will not go in March)	Head of Internal Audit & Risk Mgt	Quarterly	Committee to note

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Leicester
City Council

WARDS AFFECTED: ALL

Audit and Risk Committee

1 July 2015

Risk Management and Insurance Services Update Report

Report of the Director of Finance

1. Purpose of Report

To provide the Committee with the regular update on the work of the Council's Risk Management and Insurance Services team's activities.

2. Summary

The Committee has agreed a reporting schedule to keep it informed of:-

- Risk management activity within the Council;
- Information about the work of the Council's Risk Management and Insurance Services (RMIS) team; and,
- Information about other on-going initiatives in the Council to control risks it faces in the delivery of its services.

3. Recommendations

The Committee is recommended to:

- 3.1 Receive the Report and note its contents.
- 3.2 Make any recommendations or comments it sees fit either to the Executive or Director of Finance.

4. Report

4.1 The Risk Management and Insurance Services team have responsibility for three critical functions:

- Risk Management Support and Advice;
- Insurance; and
- Business Continuity Support and Advice.

- 4.2 This report provides an update, in the previously agreed format, on work carried out by the RMIS team since the last meeting, reporting to you progress made against their objectives. It assures you, where possible, that risks within the business continue to be managed effectively.

4.2.1 Risk Management Support and Advice

The Council maintains a Strategic Risk Register and an Operational Risk Register. These registers contain the most significant unmitigated risks which the Council is managing and they are owned by Strategic and Divisional Directors respectively. Whilst there are other key risks, in the view of Directors, these are sufficiently mitigated for them not to appear in these registers.

The Risk Registers as at the 30 April are presented here – Strategic Risk Register – Appendix 1 and Operational Risk Register – Appendix 2. The submission of the Divisional risk registers to RMIS was, once again, 100%, with a total of 13 changes within the Strategic Risk Register and 34 changes across the 15 Divisional registers that make up the Operational Risk Register. There are no changes of note from either register to bring to the Committee's attention. For the benefit of members, the risk scoring chart is attached as Appendix 3.

Within the next few weeks a review of the Council's Operational and Strategic registers will take place by the Risk Management team with responsible Strategic Directors. This will be a 'sense check' of risks being reported to ensure that descriptions allow the 'uninitiated' to know what the risk actually is; to ensure risks are not over scored; and this will also result in a re-ordering of how the risks are reported. In future, risks will be reported in Strategic groups; then alphabetically by Division with the highest scoring risk reported first. Directors will be sent all registers that require clarity or amendments before the next submission is due at the end of October.

The 2015 RMIS training programme, the aim of which is helping staff to understand and manage their risks more effectively, was launched to the business on 29 October 2014. The training sessions (an annual programme of events running since January 2011) continue to be supported by the business areas, with any falling attendances being brought to the attention of the Strategic and Divisional Directors by the Head of Internal Audit and Risk Management. The Directors have, and continue to, fully support the work of the team.

Following a letter from the Coroner following an inquest, in which there was a request to refresh our risk management processes with staff in Housing, the Division have responded

positively and five half day training sessions covering 175 operatives have been delivered.

The Committee may recall that the Head of Internal Audit and Risk Management won the coveted award of ALARM – The Public Sector Risk Management Group last June. Part of this award was sponsorship by ALARM to attend the PRIMA International Risk Management Conference in Houston, Texas. This event took place in the week commencing 8 June and the Head of Internal Audit and Risk Management made a short speech as part of the opening ceremony and delivered a presentation on how he has helped deliver an ISO31000 (the International standard for Risk Management) compliant Enterprise Risk Management process here at Leicester city Council.

It was interesting to note that of the 1700 attendees at the conference from the USA, Australia and Africa, the only other entity with such a compliant process was NASA – the American National Space Agency. 24 US states have subsequently been in touch for more information on our process, forms and supporting training documentation. The same presentation is to be presented by the Head of Internal Audit and Risk Management at the ALARM Education Forum on the 22 June.

4.2.2 Insurance and Claims

A summary report of claims against the Council received in the period 1 April 2014 to 31 March 2015 is attached - Appendix 3 and claims for the current year, 1 April 2015 to 31 May is attached as Appendix 4. This shows both successful and repudiated claims, breaking these down into business areas and type of claim i.e. slips and trips, potholes etc. Members should remember that one claim may be reported in more than one policy category – for example a Motor claim may also have a Personal Injury or Public Liability claim too, and that for new claims a value may not have been applied whilst initial investigations conclude.

The figures in brackets represent claims in those areas in the same period last year. The year on year figures continue to fall (down 18%) and show the benefits of handling these claims in-house as fewer are being paid and those that are paid are being settled, on the whole, at lower levels and much quicker – hence avoiding inflated Legal fees (year on year – and this is not a scientific comparison- we paid out £870 less than in the same two months last year).

Since the last report to the Committee, the Council has had no cases go to Court.

Loss Reduction Fund – In the period 1 April 2014 to 31 March 2015 RMIS received 52 bids for assistance from the fund for a total of £424,426.58. Of these bids, 25 applications were approved and the fund provided an amount of £175,515.47 to business areas. In addition, there are 8 bids for a total of £104,637.54 currently held awaiting further information. For the benefit of new members, the Loss Reduction Fund is a sum of money that Risk Management and Insurance Services (RMIS) make available to the business areas to help with unforeseeable events that occur that may, if left untreated, lead to losses for the Council or injuries to staff or members of the public. The business areas may bid for up to £15,000 per case and, if successful, must submit a report to RMIS detailing the benefits seen from the use of these funds. The General Insurance fund provides this cash, as the intention is that by spending these small amounts a large claim will be prevented.

4.2.3 Business Continuity/Emergency Planning updates

Since the last update report for the Committee there have been no significant events affecting the Council that required formal intervention by the Corporate Business Continuity team.

On the 19 May the Risk Management team supported by colleagues from the Emergency Planning team ran 'Exercise Janus'. This event was the first, formal joint training exercise run by the two teams. We had over 50 attendees, mainly Directors and Heads of Service, along with representatives from the Police, Fire and Ambulance services and colleagues from neighbouring local authorities. The exercise was a resounding success with very positive feedback. This will now become an annual event and members will be invited to observe the next session.

4.2.4 Key Risk Issues arising within the Business

The key significant risk issues arising within the business remain as reported to the last meeting of this Committee. Those surrounding the trade unions' potential for, and actual, industrial action across areas of the public sector remain and the risk of bad weather causing disruption to service delivery.

The two main teaching unions (NUT and NASUWT) had agreed 'action short of strike action' on 3 October 2012. NUT members took strike action on 26 March and both Unions held a further strike (with much of the rest of the Public Sector) on the 10 July. Although the 'action short of a strike' continues, the threatened full strike before Christmas did not materialise.

There had also been planned strikes by the unions representing rail staff. This had the potential for impact on both the Council and the City. On each occasion, even though formal agreement

has still not been reached, the planned industrial action was cancelled.

The Head of Internal Audit and Risk Management continues to Chair meetings of the Leicestershire Multi-Agency Business Continuity Group (the Leicester and Leicestershire regional business continuity network group) where the risks for group members arising from any strike action, and the group member's response to deal with these incidents, are reviewed. He shall, again, co-ordinate the Council's response with the support of the Chief Operating Officer.

Critical areas considered most at risk of disruption remain – schools – because of the impact on LRF partners and their staff if they fail to open; highways – emergency repairs and response to adverse weather conditions; and, housing – emergency repairs and maintenance.

4.2.5 Horizon Scanning – events in other Public Sector agencies and the Private sector that may impact upon the Council.

Early in April, a report by Savills and the Home Builders Federation said that up to 75% of local planning authorities would not have a charging scheme for developers in place by April 6. The impact of this would be that Councils will have to use the community infrastructure levy to raise money from developers to fund local infrastructure projects. The Head of Planning here at Leicester City Council had submitted a report to the City Mayor in March to ensure that we hit this deadline.

Again in early April there was a Supreme Court ruling affecting Council's ability to house people away from their local area. Discussions with the Director for Housing and her team have shown this to be mainly a London problem. Leicester City Council have not got anyone paced in housing outside of the City boundaries, although we did have, at the end of March, at least two families living in Leicester that were placed here by London Boroughs.

The Head of Internal Audit and Risk Management will continue to send to and/or discuss with relevant managers and directors any issues and the potential impacts they may have on the Council.

5. Financial, Legal Implications

There are no direct financial or additional legal implications arising from this report. These implications will rest within (and be reported by) the business areas that have day-to-day responsibility for managing their risk.

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Risk Management	Yes	All of the paper.

7. Report Author/Officer to contact:

Tony Edeson, Head of Internal Audit and Risk Management, Financial Services - Ext 37 1621

19 June 2015

LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 30 April 2015

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk		Impact	Probability	Risk			
<p>1. FINANCIAL CHALLENGES</p> <p>The Council fails to respond adequately to the cuts in public sector funding over the coming 2 - 3 years.</p>	<ul style="list-style-type: none"> - Council is placed in severe financial crisis by not delivering the required budget savings for 2015/16 onwards. - Reputational damage to the Council. - Potential to destabilise the Council and difficult industrial relations. - Mismatch between service demand and budget availability may lead to an increase in financial instability in some instances. - Pressure may be created between 'demand led services' (social care) and other priorities. - Reduction in services, budgets etc may impact on the health and wellbeing of the City. 	<ul style="list-style-type: none"> - Budget approved to 2015/16, and balanced on paper to 16/17. - Work commenced on spending review programme which takes into account the Government's spending intentions as at March 2014. - The first spending review has now concluded. Corporate Management Team and Executive monitoring closely implementation of the existing agreed savings. Capital Advisory Board to review profile and management of capital programme to minimise slippage and overspending 	5	4	20	<ul style="list-style-type: none"> - Continued development of savings proposals for future years beyond the three year strategy, reflecting the Council's strategic service priorities and on-going modelling of the Council's potential future income and cost streams, recognising the significant reviews of Local Government funding and service delivery responsibilities at national level. - Continuation of the spending review initiatives and delivery of the programme. - Consideration and forward planning for the long term savings strategy for 2018/19. Appropriate change management/ project management arrangements to be put in place for major review areas 	5	2	10		<p>Andy Keeling Alison Greenhill</p>	31/3/2016 and On-going

LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 30 April 2015

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<p>2. STAKEHOLDER ENGAGEMENT</p> <p>The Council fails to further develop and improve the way it works with its stakeholders (partners, neighbouring Councils, NHS etc.). Key partners and stakeholders fail to support the council in delivery of its strategy as a result of tensions and strained relationships due to financial and other pressures. Council fails to identify tensions arising in the city (particularly as the financial challenges impact on communities) leading to unrest in specific communities/areas of the city.</p>	<ul style="list-style-type: none"> - Failure of local agreements and stakeholder arrangements to deliver agreed levels of performance, the impacts of which may reflect negatively on the Council adversely affecting its reputation. - Potential litigation where it impacts on formal contractual relationships. - Financial risk if Integration Transformation Fund plans are inadequate or not agreed. - Partnership working will be an expensive bureaucracy and fail to add value to improving outcomes for the citizens of Leicester. - Reputational damage to the Council/City from the perspective of stakeholders. - Partnership working fails to take into account the needs of all communities. 	<ul style="list-style-type: none"> - Mechanisms in place for regular dialogue including formal partnerships e.g. Health and Wellbeing Board. - City Mayor Faith and Community Forum in place to engage specifically with faith and non-faith communities. - New arrangements for support to the Voluntary Community Sector (VCS) have been commissioned and contracts are being put in place. Work continuing to review commissioning of support for engagement of key communities via the VCS - Partnership working arrangements in the city were further reviewed following the election of the City Mayor and adoption of new governance arrangements. - Cllr Sood has partnership working within her portfolio. 	4	3	12	<ul style="list-style-type: none"> - Close involvement of City Mayor and Members in key partnerships. - Regular review and evaluation of the current position by Strategic Management Board. - Complete VCS commissioning process - Keep arrangements under review and undertake a more formal review post election. - Continue to develop and embed the approach to working strategically with the VCS. - Develop stakeholder communications/engagement plan of all critical and large partners to ensure that these relationships are given full consideration and priority, where needed. - Need to fully embed CMT within the Council. - Key aspects of partnership working being reviewed in the light of OfSTED findings eg LSCB 	4	2	8		<p>Miranda Cannon / All Strategic Directors</p>	<p>31/03/16 and ongoing</p>

LCC Strategic Risk Register

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3. BUSINESS/SERVICE CONTINUITY MANAGEMENT Unforeseen unpredictable events such as flood, power/utility failure etc. could impact on the council's assets, communication channels or resources etc.	- Insufficiently prepared management leads to disorder in the rapid restoration of business critical activities and the control of the emergency plan. - The emerging risk environment increasingly makes 'resilience' a significant focus for all organisations. - Budget cuts and rationalisation may also challenge the ability of Category 1 responders (which LCC are) to fulfil their statutory duty. - Resource restraints means that there is limited staff to perform manual operations at the volume required in an event/incident. - Council is unable to communicate to stakeholders/deliver its services.	- All the Senior Management Team have roles in either the Corporate Business Continuity Management Team (CBCT) or are Emergency Controllers. -Head of Internal Audit and Risk Management Chairs the Multi-Agency Business Continuity Group -CBCT have formal refresher meetings three times a year - Training offered corporately - Directors involvement in CBCT Meetings held 3 times a year. - Risk Management and Insurance Services/Emergency Management Team provide updates and lessons learnt on incidents to CBCT/Audit & Risk Committee as appropriate - Self cert annually by Directors - Corporate Business Continuity Plan (BCP) which is reviewed annually but also updated as and when changes occur which should be reflected in the plan - Business Continuity Secure Site (web based) holds BCP and all Business Critical Activities BCPs and is securely accessed by members of the CBCT	4	3	12	- Further embedding of business continuity management approach. - Further completion of Business Continuity tests. - Completion of all Service Business Continuity Plans. - Further communication/training and awareness for staff on continuity arrangements. - Annual review of Critical Service Business Continuity Plans initiated by Risk Management and Insurance Services	4	2	8		Andy Keeling	31/3/2016 and On-going

LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 30 April 2015

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			Impact	Probability	Risk		Impact	Probability	Risk			
4. INFORMATION GOVERNANCE Information Governance/Security/Data Protection policies/procedures/ protocols are not followed by staff and members.	<ul style="list-style-type: none"> - Major loss of public confidence in the organisation. - Potential litigation and financial loss to the Council. - Reputational damage to the Council. - With data held in a vast array of places and being transferred between supply chain partners, data becomes susceptible to loss; protection and privacy risks. - Reduction in the capacity/capability to retain such data. This could also be costly. - Excessive retention of data can still be requested through a Freedom of Information Act if retained. - Council may not share data with the appropriate individuals/bodies accurately, securely and in a timely manner. -Council fails to adequately secure/protect confidential and sensitive data held. 	<ul style="list-style-type: none"> - Clear policies and protocols in place. - Staff have been trained and made aware of the Council's policies and procedures. - Secure storage solutions are now in place. - Paper retention has been reduced through the introduction of scanning etc. Member induction post May 2015 elections will cover and reinforce the issues around information governance - Programme underway to reinforce to staff the need to manage email data and storage appropriately - Mandatory e-learning module for staff 	4	3	12	<ul style="list-style-type: none"> - Clear and on-going communications to staff to reinforce policies and protocols. - Regular review and monitoring of arrangements across services by Service Managers supported by Information Security/Governance Teams. - Ensure that the policy in place around the management of electronic data and disposal of data is in the awareness of staff - Ongoing review and updating of appropriate information sharing agreements. 	4	2	8		Andy Keeling	31/03/2016 and On-going

LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 30 April 2015

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
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<p>5. BREACHES IN COMPLIANCE WITH REGULATION, POLICIES, PROCEDURES HEALTH AND SAFETY ETC</p> <p>Local management use discretion to apply inconsistent processes and misinterpret Corporate policies & procedures, perpetuating varying standards across business units.</p> <p>The City Council fails to respond effectively to the requirements of Health and Safety</p> <p>Executive/Government proposals and/or legislation which places health and safety responsibilities on local authorities.</p>	<ul style="list-style-type: none"> - Places the organisation at risk e.g. fraud, data loss etc. Potential financial losses / inefficient use of resources. - Possibility of serious injury or death of member of staff or service user/members of the public. - Failure to meet statutory responsibilities. - Reputational damage to the Council. - Negative stakeholder relationships - Potential for increase in the number of insurance claims 	<ul style="list-style-type: none"> - Regular reporting from Internal Audit to Strategic Management Board. Approach to the annual corporate governance review revised and a more effective process established. - Day to day management of Health and Safety responsibility rests with the Operational Directors and their Heads of Service. Corporate Health and Safety team available to assist. - Risk is reported and controlled through Divisional Directors Operational Risk Registers (presented to the CMT each quarter) and these are underpinned by registers at Heads of Service level reviewed and discussed at Divisional Management Teams quarterly. - Regular inspections and reports by the Health and Safety team with all actions being followed up within a reasonable time. <p>A process of more regular reporting to Corporate Management Team on health and safety matters is underway</p> <ul style="list-style-type: none"> - Significant change to the absence management policy and procedure 	4	3	12	<ul style="list-style-type: none"> - Continue to review and reinforce key standards and policies via regular communication. - Ensure Managers are appropriately trained and requirements are clearly set out in Job Descriptions and reinforced via appraisals. - Ensure Internal Audit findings are acted on in a timely manner. - Strategic monitoring and reporting in relation to Health & Safety being reviewed to raise profile and ensure responsibilities are reinforced from the top. - Consider the creation of a policy schedule to maintain an overview of all Council policies. - Implement appropriate quality assurance arrangements for the new absence management procedures 	4	2	8		<p>Kamal Adatia / Miranda Cannon</p>	<p>31/3/2016 and On-going</p>

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			Impact	Probability	Risk		Impact	Probability	Risk			
6. SAFEGUARDING Weak Management oversight of safeguarding processes in place leads to the Council failing to adequately safeguard vulnerable groups e.g. children and young people, elderly, those with physical and learning disabilities.	<ul style="list-style-type: none"> - Death or serious injury. - Serious case reviews initiated. - Reputational damage to the Council. - Citizens lose confidence in the Council. - Negatively impacts on relationships with stakeholders. - Impacts severely on staff morale - Leads to high turnover of social workers and managers. 	<ul style="list-style-type: none"> - Safeguarding Adults and Children's Boards in place. - Regular reviews of policies/procedures and close supervision of staff. - Range of quality assurance processes exist within the Divisions. - Range of developments, including corporate training, exist within the Divisions to manage, support recruit and retain staff. - Improvement Board established following the Ofsted inspection and other arrangements eg Performance Board set up - 24/7 Duty and Advice Service in place (and identified as a strength by OFSTED). 	5	3	15	<ul style="list-style-type: none"> - Board performance and framework development. - Chair of Board has direct accountability through Chief Operating Officer. - Regular bi-annual meetings with Mayor and Adults and Children's Lead Members. - Full implementation of all necessary improvements identified via the Ofsted inspection of Children's Services - Review of assessments and plans following OFSTED to ensure all are 'good enough quality', to include training of staff as appropriate. - Social work electronic recording system will be developed by xx/xx/2015. 	5	2	10		Andy Keeling /Frances Craven	31/3/2016 and On-going

LCC Strategic Risk Register

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7. SCHOOL IMPROVEMENT 72	Poor OFSTED outcome for schools Increased risk of schools going into category of special measures Poor outcome for Local Authority if inspected under the OFSTED framework for LA School Improvement effectiveness	Revised desk top analysis to identify potential underperformance in individual schools and settings Revised School Improvement Framework Regular reporting to DMT and LMB on schools causing concern and targeted work Self evaluation against OFSTED framework for inspection completed At risk schools discussed and warning notices considered Inspection file being collated to evidence effective and good practice in targetted work with schools	4	4	16	Targeted visits by Director of Learning Revised support packages Single plan implementation for RI schools Local Authority Reviews of individual schools to be negotiated Preparation for inspection to include briefing to all schools	4	2	8		Andy Keeling /Frances Craven	31/3/2016 and On-going

LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 30 April 2015

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
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<p>8. CIVIL CONTINGENCY RESPONSE/INCIDENT RESPONSE Council resources may not be adequate or sufficient to respond should an external incident/disaster occur (for example, the impact of climate change leading to floods placing responsibility to the Council to house evacuees from other counties/areas) .</p>	<ul style="list-style-type: none"> - An increase in inclement weather (flood, heat, waves, drought, windstorm, increased snow fall etc.) building the right infrastructure and new statutory flood and water risk management duties. - Having sufficient financial resources and flexibility to address these challenges becomes increasingly difficult. - Having sufficient assets/contingency arrangements. - Lack of resources could lead to inadequate response . - Impact on the publics health and wellbeing, safety/housing needs etc. - Adverse impact on budget - Reputational impact - Death/injury - Potential for increase in the number of insurance claims - negative relationships with stakeholders 	<ul style="list-style-type: none"> - Corporate Management of this is outlined in the carbon action plan which covers all areas of management activity across the Council and its partners to reduce carbon. - Implementation is monitored through a carbon management board. Day to day management of climate change responsibility rests with the Operational Directors and their Heads of Service. - Risk is reported and controlled through the Divisional Directors Operational Risk Registers (presented to Corporate Management Team each quarter) and these are underpinned through regular reviews as part of the revised Eco-Management Audit Scheme (EMAS) system. - Local Resilience Forum (LRF) county wide partnering arrangement. - Leicester City Council (LCC) been actively engaged in reviewing the role of the Resilience Partnership and agreeing a 3 year funding strategy and approach for the partnership. 	4	3	12	<ul style="list-style-type: none"> - Public engagement and city wide flood defence programmes are being developed jointly with the Environment Agency. This provides a two -pronged approach to manage the risk of severe flooding arising from climate change. - LRF and Resilience Partnership arrangements continue to be reviewed. Robust schedule of plan reviews and training in place and agreed via the LRF 	4	2	8		<p>Miranda Cannon / Alison Greenhill</p>	<p>31/3/2016 and ongoing</p>

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8. CIVIL CONTINGENCY RESPONSE/INCIDENT RESPONSE (Continued) 74	<ul style="list-style-type: none"> - Fail to meet statutory requirements - City Council fails to respond effectively to the requirements of Government proposals and/or legislation 	<ul style="list-style-type: none"> City Council major incident plan reviewed and signed off. -New emergency control room now fully equipped and operational at City Hall and provides a facility for both local management of emergencies and use by the LRF as a SCG venue 				'-MAGIC' training arranged for strategic level command officers across the LRF and due to be delivered in May 2015.						

LCC Strategic Risk Register

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<p>9. RESOURCE: CAPACITY, CAPABILITY, RETENTION & DEVELOPMENT</p> <p>Lack of workforce planning and appropriate development of managers and employees leaves the Council exposed to service failure. The Council does not have the capacity/resilience in resources, should an event/incident occur, may significantly increase the demand on front line services. Changing market conditions gives rise to the council not being seen as first choice for employment as private sector may be perceived as offering better reward.</p>	<ul style="list-style-type: none"> - The Council does not have the right skills, behaviours and competencies in terms of the workforce to deliver the city's vision and priorities. - The Council fails to maximise the potential of its key resource. - Staff become demotivated/are under pressure which has an impact on productivity and delivery across the Council. - Disruption to service delivery. - Impacts on continuity of services. Creates risks in delivery because information on processes/procedures etc is lost - Service demands may not be met. - Reputational damage. - Financial impacts. - Drain on resources 	<ul style="list-style-type: none"> - Human Resources (HR) review has built in capacity for longer-term workforce planning and a more strategic approach. Strategic HR work programme agreed which captures this. - Talent match (internal jobs market) now being rolled out across the Council and running for a pilot period - HR Workforce Planning Team actively involved in supporting areas where there are existing pressures eg children's services - Organisational vision and values currently being finalised to support many aspects of organisational management and staff engagement 	4	3	12	<ul style="list-style-type: none"> - Continue to develop the Council's workforce planning approach and fundamentally review how workforce development will support this in future. - Consider retention mechanisms and succession planning. - Roll out vision and values across the organisation and embed in ways of working 	3	3	9		Miranda Cannon	31/03/16 and ongoing

LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 30 April 2015

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk		Impact	Probability	Risk			
<p>10. CONTRACT MANAGEMENT & PROCUREMENT</p> <p>Contract management protocols/procedures are not robust and there is lack of understanding/awareness within the Council. Service areas may exercise partnership arrangements/ collaborative agreements where formalised/legal contracts are not in place and possibly these may not be legally binding.</p>	<ul style="list-style-type: none"> - Reputational damage. - Financial impacts; valuable funding is used for rectification of issues. - Increase in staff resources to defend a challenge. - Potential for litigation and fines being incurred. - Contract service level agreements may not be adhered to. - The Council does not receive value for money for the services it procures. - The Council is challenged in the reduction of contracts when re-tendered. - Discouraged providers may not tender for the contract in the future, potentially reducing the portfolio of providers and even reducing the availability of high quality providers. 	<ul style="list-style-type: none"> -Revised and improved Contract Procedure Rules now in place along with associated guidance. -Policy that all procurement over a deminimis threshold must be carried out by one of the specialist procurement teams. -Professional procurement staff recruited and now in post -Contract Risk Management training available from RMIS -Engagement with local supplier groups 	3	3	9	<ul style="list-style-type: none"> -Development of new procurement template documentation -Implementation of new electronic tendering system -Professional training for procurement staff (MCIPS) -Training in procurement and contract management for staff across the Council -Enhanced engagement with local business to widen portfolio of potential suppliers -Development of communications plan to ensure all staff are informed of above as appropriate to their role. 	3	3	9		Alison Greenhill	13/03/2016

LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 30 April 2015

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
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11. ASSET MANAGEMENT Absence of an asset management strategy will affect the future conditions/status of buildings.	<ul style="list-style-type: none"> - Reputational damage. - Increase in costs. - Loss of predicted revenue. - Deterioration of assets. - Potential harm to the public. - New business are not attracted to Leicester. - The council's assets may fall into disrepair losing income and increasing maintenance costs. In a worse case scenario assets may be totally lost and community engagement too. 	<ul style="list-style-type: none"> -A single corporate asset management system is now in place. -Annual Planned Maintenance Programme is in place to cover the most urgent health and safety issues in the estate. -Central Maintenance Fund is available to address urgent repair items in the estate. -Phases one and two of the central accommodation strategy have been effectively implemented which has significantly reduced the backlog maintenance issues in the estate. -Transforming Neighbourhood Services review in place to reduce the level of backlog maintenance issues in the neighbourhood estate. -Building Schools for the Future (BSF) and Primary programmes are proceeding on course with a new Hard Facilities Management Offer for BSF Phase 3-6 using local contractors being concluded. -Condition surveys have now been completed for all neighbourhood and leisure assets 	5	4	20	<ul style="list-style-type: none"> -Phase 3 Accommodation Strategy nearing completion. Plans for Phase 4 are underway. - Establishment of a corporate asset management group. - Implementation of Transforming neighbourhood services - Continued development of effective planned maintenance programme - performance measurement in place to provide assurance regarding compliance- concerto being established and populated to work as the single corporate asset management system 	5	3	15		Frank Jordan	31/12/2015

LCC Strategic Risk Register

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Date completed: 30 April 2015

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
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12. NATIONAL AGENDA/CHANGES IN LEGISLATION/ GOVERNMENT ETC On-going changes in government, legislation etc. gives rise to new demands and responsibilities with insufficient time for implementation and insufficient budget.	<ul style="list-style-type: none"> - Loss of income. - Services may not be delivered. - Reputational damage. - The budget may not be sufficient to deliver the expected service demand. - Statutory services. such as public health may be reduced and or the Council is unable to protect and safeguard the public, vulnerable individuals etc. - Implementation of unpopular fees for services required by the Public of the Council. - The health and wellbeing of the City may be impacted. -Causing service failure or significant cost over runs. 	Directors keep abreast of policy change and development in their portfolios. The implications of change described and discussed. Including political briefings if required. Budgeting takes account of national changes. Staff are trained in new requirements.	4	3	12	Examine options for service integration; improved leadership development; manage demand better; have honest conversations with the public about what can be expected from us; improve commissioning activity across the Council.	3	2	6		Andy Keeling	31/03/2016

LCC Strategic Risk Register

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<p>13. CHANNEL SHIFT The Council may be unsuccessful in channel shifting customers to less resource intensive forms of contact than face to face or telephone contact. The infrastructure may not be in place to enable the shift and the culture change is not enabled among staff and customers to support it.</p>	<ul style="list-style-type: none"> - Service delivery not met. - Adverse affect on budget. - Reputational damage. - Impact on resource provision. - Process and improvements do not materialise. - Lack of access to data. - Customer access channels may not be improved. - Services will become unaffordable 	<ul style="list-style-type: none"> -A draft Digital Channel Shift Strategy has been developed. -A Customer Access Strategy is in place. -The Transforming Neighbourhood Services programme is underway improving co-location and integration of services with customer services represented on the steering group. - New corporate website launched in March 2015 and is helping drive increased on-line transactions - Major redevelopment of Visit Leicester website being scoped. Project Mgr started on 1st June 2014. 	4	3	12	<ul style="list-style-type: none"> -Merger of the Customer Service teams programme underway. -Continue to review existing arrangements to ensure that they are efficient and effective as some arrangements carry high administrative overhead. - All services to be asked to review their comms to ensure that online options are promoted ahead of traditional access channels. - The council will adopt a single, council branded, self-help kiosk across all its sites, to simplify the support overhead and to help promote the service. - Governance arrangements being reviewed to reshape the role and focus of the Web Governance Board - A communications plan to support channel shift among staff and customers to be developed. 	3	3	9		<p>Andy Keeling/ Alison Greenhill/ Frank Jordan</p>	31/03/2016

Appendix 2 - Leicester City Council Operational Risk Register

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Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further management (See Scoring Table)			Cost	Risk Owner	Review Date
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1. Adult Social Care & Safeguarding - Integration agenda. Risks associated with large programme of change in challenging financial context.	Failure against national commitments on integration. Services are not aligned; Financial risk; Conflict between priorities of organisations; Transformation programme targets are	High visibility at partnership forums; Support to frontline staff to maintain operational relationship management; Communication strategy for transformation in context of integration includes partners.	4	4	16	Establish clear partnership arrangement to agree and deliver Integrated Care in Leicester; maximise Better Care Fund (BCF) opportunity.	3	3	9		Ruth Lake	BCF plan complete; implementation planning through 2014/15
2. Adult Social Care & Safeguarding - Meet Health & Safety (H&S) expectations in regulated provision. Fail to maintain safe water systems in all units; Failure to maintain essential health and safety in intermediate care provision.	Ill health or death to residents and/or staff or visitors from water borne infections or poor H&S practices.	Water hygiene monitoring practice in place	5	3	15	Ensure all registered managers go on required training and fully understand the requirements for temperature checking, flushing regimes, tap cleaning etc. and can closely monitor those carrying out these tasks.	5	2	10		Ruth Lake	31.03.2016
3. Adult Social Care & Safeguarding - Failure to deliver satisfactory Intermediate care capacity. Ineffective partnership working with Leicester City NHS results in failure to implement new Intensive Care unit.	Failure to deliver intermediate care priorities and make efficiency targets; capital/reputational/political risks.	Strategy and redesign work to establish cross-economy commitment to intermediate care models	4	4	16	Engage with Health & Wellbeing Board as it establishes; establish programme board with Care Commissioning Group input	3	3	9		Ruth Lake	Work will be ongoing throughout 2014 to 2016

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<p>4. Adult Social Care & Safeguarding -Operational capacity</p> <p>Risk of legal challenge / fines from being unable to meet the additional demands arising from Cheshire West judgement on Deprivation Of Liberty Safeguards (DOLS). Risk re capacity to effectively scope the new DoLS cases; challenge from practice in care homes in applying DoLS via urgent applications in inappropriate circumstances</p>	<p>Breach of legislation; financial liability re Information Commissioners Office; breach of confidence in the Council</p>	<p>Manager briefings to ensure legal requirements understood; scoping of high risk cases to understand new DOLS cases; prioritisation of action on cases; monitoring of incoming pressures for DOLS team and use of independent Best Interest Assessor capacity; engagement with legal services re Court Of Protection applications and pressures. Additional resources agreed for recruitment via budget setting</p>	4	4	16	<p>Tracking of anticipated legal guidance on application of case law in practice; consideration of additional resources to support scoping exercise as this has not been completed due to lack of resources / competing priorities. Meeting with legal services to assess position / agree actions to mitigate risk 24 March. Issue to be escalated to Leadership Team. Further work via NHSE MCA project and HOS to address care home practice which is exacerbating the volume and timescales risks.</p>	4	3	12		Ruth Lake	31.03.2016 and ongoing

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<p>5. Information and Customer Access Staff: Capacity, capability and recruitment Capacity: There are insufficient resources to meet increase in demands, such as business application outage, application failure etc., due to an already lean structure. Teams are being worked increasingly hard including weekends and out of hours. Staff Retention: With a buoyant market place for the team's skills, staff may seek career progression outside the Council. Formal career progression opportunities may not be available internally. Recruitment: Department requires highly skilled people but applicants may be less likely to apply for jobs at the Council as it may not be seen as the employer of first choice.</p>	<p>- Unable to attract high calibre, skilled individuals. - Lack of adequate succession planning in some areas, leading to increased key person dependency vulnerability. - Vital skills and expertise are lost e.g. Lync, data warehouse. - Vacancies create more workload pressures and impact on the wellbeing of the remaining staff. - Staff more likely to elsewhere as the market picks up, especially as Job Evaluation means people are already being asked to do more for less. - Unable to meet service demand and Service Level Agreement and to deliver core services. Reputational damage.</p>	<p>- On-going review with HR to ascertain options. Options such as graduate recruitment being investigated and implemented where appropriate. - Training, motivation, internal career development to retain and develop staff. - Market increments for key posts (although this hasn't helped to attract applicants to recent posts). - Undertaking succession planning and knowledge sharing as much as possible. - Documentation to reduce dependency on key individuals - Approval to recruit two apprentices and another graduate. - Recruited a Graduate. - Overtime payment and TOIL where appropriate. - Third party support contracts - Application made for De Montfort University graduates for Info Gov & Mgt</p>	4	4	16	<p>- Consider up skilling/cross skilling the Team to increase scope of roles etc. - Work with HR to address particular concerns. - Succession planning, shaped by skills matrix. - Apprenticeships and graduate schemes for regular input of new talent/skills. - Capture and more proactively manage service demand. - Implement formal out of hours procedure. - Review technology architecture to remove any unnecessary complexity and reduce dependency on hard to source skills</p>	3	4	12		Alison Greenhill	31.03.2016

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6.Information and Customer Access Finance and budget - impact on ability to meet Council requirements On-going pressure to reduce costs within the council which is impacting on the service capacity.	- Continued cuts lead to not enough people to deliver the service - Service demand may not be met - Targets and deadlines may be missed, e.g. delivery of new programmes and business solutions. - Loss of front line productivity across the Council as services are not available when needed.	- Engaging with the review of IT services to ensure there is a clear understanding of the services provided and the potential impacts of major service cuts. - Raise profile and demonstrate value of the team and the need for specialised resource.	4	4	16	- On-going existing actions.	4	4	16		Alison Greenhill	31.03.2016
7. Information and Customer Access Capacity and Service Reporting Across the estate, the utilisation of application and network related hardware may not be fully understood.	- Reputational damage - Service delivery may not be met - Effect on available resources i.e. budget and staff if unplanned upgrades required - Negative effect on productivity - Affects ability to plan	- none noted currently (Tools are available but not being used)	3	5	15	- Maximise use of available tools - Develop framework/guidelines for operating procedures	2	4	8		Alison Greenhill	31.03.2016

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<p>8. Information and Customer Access Information Security The information and IT security environment is changing rapidly, altering the risk profile and requiring constant adjustment of controls e.g. Challenges of cloud computing, use of mobile devices for flexible working, bring your own device). It is challenging for central IT and information services to evolve infrastructure, policy, practice and guidance to keep up, and for the wider employee base to adapt their working practices to keep the organisation's information secure. In addition, requirements for national Code of Connection compliance also change over time, placing new security demands on the organisation. Failure to stay on top of security risks presents the risk of information security breaches.</p>	<p>- Information security breaches in which personal and/or sensitive Information is compromised. - potential for Data Protection monetary penalties, negative press coverage, reputational impact. - Impact on individuals (employees, service users, citizens) of their Information being compromised, including distress or damage such as identity theft and reputational impact. - Reduced trust in the Council, impacting on its ability to deliver key services - Lost productive time due to IT downtime</p>	<p>- IT security provisions including encryption, firewalls, virus protection, Secure Socket Layer connections where needed, access control. - Security standards, policies and procedures, maintained, proactively communicated and published for universal access. - Dedicated security roles undergoing professional development. - Assurance routes via 1. Work to obtain and maintain Public Service Network accreditation, 2. Internal audit, 3. Information Governance Toolkit. - Information and IT security are integral to IT procurement exercises, helping to ensure that software and hardware procured offer good security. - Technical Information Security Group to raise security issues, address concerns, track implementation of internal audit recommendations. - New approach to reporting on uptake of Data Protection training to support managers in compliance -</p>	4	4	16	<p>- Keep controls up to date to respond to evolving threats. - Increase manager awareness of the negative impact of staff change etc. on security awareness and capabilities. - Adjust security provisions to meet the next year's Public Service Network requirements. NB: in a changing context, controls need to evolve to maintain the risk exposure at the current level and prevent it from increasing. Therefore, only a limited risk exposure is anticipated.</p>	4	3	12		Alison Greenhill	31.03.2016

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<p>9. Information and Customer Access Demand and change management</p> <p>There is no clear demand pipeline especially around project related activity, which means it is difficult to plan staffing, prioritise and manage workloads etc. There is no Target Operating Model, so that service level expectations/outputs and deliverables are not always clear and not delivered upon under a uniform agreement across the business. In some instances, the least relevant priority is dealt with rather than the most significant. This is exacerbated as there is currently no consistent way to capture and manage Business Application support and demand. ICT cannot provide the additional flexibility, complexity and time/resources</p>	<ul style="list-style-type: none"> - Improvements are not made to processes and procedures. - Inefficient and/or ineffective operations are in place. - Internal reputation impacts. - Demand may not be met. - Service delivery affected. - Incidents are not appropriately identified and rectified. - Increased reliance on IT staff rather than departmental self-sufficiency. - Increased demand on ICT resources. - Supplier response times and deadlines to rectify fixes/changes are lengthy and not always a priority. 	<ul style="list-style-type: none"> - Tactical improvement actions and plans have been identified and are in the process of being implemented. - Gateway process in place - Organisational restructure has been suggested and is being considered. - Business Continuity Management arrangements under review. 	3	5	15	<ul style="list-style-type: none"> - Implement holistic Disaster Recovery Plan. - Confirm roles and responsibilities. - Ask services to involve the customer services team in the planning/phasing/releasing of information etc. - Intended focus on more long term and forward planning. - Consider establishing a demand team (as part of the Methods review) 	3	5	15		Alison Greenhill	31.03.2016

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<p>10. Information and Customer Access Impact on record keeping from use of shared drives and email</p> <p>Information on line of business systems including the Council's EDRMS can be more robustly managed than that on email and shared drives. Email has become the predominant means of business communication BUT this means that records of Council activities and decisions are stored in Outlook rather than systems where they can be sufficiently protected, findable and available as Council records. Shared drive management is also problematic . Many teams do not have a mature shared drive structure in place, and structures are sprawling. Some officers do not have access to shared spaces, only to individual Home drives.</p>	<p>-Excessive IT overhead from backing up and keeping available huge volumes of data, a proportion of which is redundant.</p> <p>- Business impact of not seeing the wood for the trees, where documents and files are accumulated to excess without consistent filing practices, naming conventions and disposal routines, and where defunct materials are still cluttering up drives.</p> <p>- Potential inability to access corporate records in personal storage locations without the presence of specific members of staff.</p> <p>- Potential loss of corporate records when employees leave the organisation and have used personal not corporate filing.</p>	<p>- Policies in place (e.g. Information Management Policy, Records Retention Schedule).</p> <p>- ICT induction briefly addresses email management and filing systems. Being reviewed now so there are stronger messages about managing content.</p> <p>- Information Management Team advising teams on an ad hoc basis re good records practice.</p> <p>- Guidance written on a shared drive refresh process - being tested with Children's Centres. Will enable a scaling up of assistance to services.</p> <p>- Draft guidance in place for driving down email volumes. In testing.</p>	3	5	15	<p>- Enterprise Content Management project to enable teams to review their saved content, to organise it and to cut it back to the necessary.</p> <p>- Relaunch of Information and Records Management policies.</p> <p>- Rollout of information management training for managers.</p> <p>- Improved induction training for information management.</p> <p>- Integration of IM skills into wider courses where appropriate.</p> <p>- Create a self service information and records healthcheck helping services to prioritise addressing weak areas (Jan-Mar 2015).</p>	3	4	12		Alison Greenhill	31.03.2016

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10. Information and Customer Access Impact on record keeping from use of shared drives and email - Continued Even where well designed filing structures are in place, electronic disposal of records at the end of their lifetime is usually not taking place, leading to accumulation of materials.	- The accumulation of past materials impedes effective working on current issues. - Potential for the Council to be unable to locate the evidence it may need for its decisions and actions. - Increased overhead of responding to Freedom of Information requests.				- The success of the above controls is conditional on effective communications and strong buy-in cascaded across the organisation from senior management down. - Progress is also currently impeded by limited staff resources in Information Management. Restructure underway to							

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<p>11.Information and Customer Access Information Governance compliance</p> <p>Key areas of risk are: flexible working practices which expose data to new risks, inappropriate disclosure of personal data, insecure and excessive information sharing externally and internally, lack of universal participation in Information Governance training, lack of awareness of the compliance and enabling role of Information Governance and failure to comply with the Regulation of Investigatory Powers Act 2000. (Also see corresponding risks around Data Protection and Freedom of Information compliance.)</p>	<p>- Data may be lost or shared inappropriately.</p> <p>- Potential legal challenge.</p> <p>- Breaches in regulation/legislation, which may incur fines, reputational damage and negative media coverage.</p> <p>- Local breaches are not reported to the Information Governance Team until a compliant arises. There may be a number of unreported information governance breaches which are unreported and being managed at a local level.</p> <p>- Subject Access Requests: this area has failed in compliance in 2013, and could fail again in the future</p>	<p>- Policies and procedures in place e.g. security, retention and disposal.</p> <p>- Devices are encrypted.</p> <p>- Staff are briefed on Information Governance compliance and asset management.</p> <p>- Improvement plan identifies necessary procedural updates etc.</p> <p>- Good liaison with Information Commissioner's Office and increased visibility and compliance.</p> <p>- Regular reports to Directors on the importance of Information Governance compliance.</p> <p>- Staff are required to complete Information Governance training on induction and all staff were asked to complete training in 2013.</p>	4	5	20	<p>- Requirement for all to complete annual Information Governance awareness training should be enforced.</p> <p>- Introduce a self-service Information Governance health check for Managers to check their team's compliance and identify their own improvement actions.</p> <p>- Information Governance issues to be addressed more consistently in contracts outside IT Procurement (where this is systematic).</p>	4	3	12		Alison Greenhill	31.03.2016

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11.Information and Customer Access Information Governance compliance - Continued 94		- Leicester City Council submissions to the NHS Information Governance (IG) Toolkit provide a health check on Information Governance policies and systems. - Self service IG Healthcheck tool for managers has been drafted. Next stage is testing. NB staff turnover and high rates of change are increasing the Council's exposure to risk here.				- Need for services facing high staff turnover to prioritise Data Protection and security training to maintain capability levels. NB: in a changing context, controls need to evolve and be constantly refreshed to maintain the risk exposure at the current level and prevent it from increasing. Therefore, no reduction						
12. Schools Capital. Raising educational achievement -The discontinuation of PCP (reduction in capital investment) and the continuing need to accommodate pupil increases.	A Statutory duty is not met	Delivery of Basic Need Programme to address pupil placements required by September 2015.	4	4	16	Continued assessment & development across the Primary School estate.	4	3	12	Staff time	Mark Lloyd	30/09/2015 then review 6 monthly

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13. Property - Schools Capital. Raising educational achievement. 95	Reduction in capital investment in schools with ageing school stock and deteriorating condition Potential to not meet statutory building requirements. Reputational damage to the council.	Develop long term strategy across the Primary School estate	4	4	16	Develop long term strategy across the primary and retained secondary school estate is now underway, Condition surveys being undertaken in order to formulate a 3 year programme of works for Planned Capital Maintenance	4	2	8	Staff time	Mark Lloyd	30/09/2015 then review 6 monthly
14. Property - Maintaining Income (Capital and Revenue) on behalf of the Council	Economic downturn affecting budget	Voids and arrears monitored Monthly	4	4	16	Send rent demands, reviews and renewals on time - collect rent on time. Manage tenants in arrears.	3	4	12	Staff time	Mark Lloyd	30.04.2016 and ongoing
15. Property - Loss of use of Asset	Closure of buildings dues to asbestos	1. Findings of asbestos action plan being implemented. 2. Asbestos monitoring returns to be reported to DivMT and Heads of Property monthly. To Corporate Management Team if cause for concern. 3. Action plan works now completed, signed off by Health & Safety and now being monitored.				1. Ensure 100% compliance with asbestos returns with accurate data by holding Building Responsible Officers to account. 2. Ensure all buildings have an asbestos register				Staff time	Mark Lloyd	30.04.2016 and ongoing

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 30th April 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further management (See Scoring Table)			Cost	Risk Owner	Review Date
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96	Closure of buildings due to poor water hygiene standards	1. Implementation of control regime comprising ongoing regular monitoring, reports, risk assessment reviews and maintenance with allocated budgets. 2. Water hygiene monitoring returns to be reported to DivMT and Heads of Property monthly. To Corporate Management Team (CMT) if cause for concern. 3. Spend of allocated capital budget for water hygiene and production of ongoing prioritised schedule of works ongoing. 4. Water hygiene responsibilities in non-op estate have been confirmed and necessary action taken.	5	3	15	1. Seek 100% compliance with water hygiene returns with accurate data. 2. Further budget for 13/14 works approved in capital programme subject to Corporate Management Team decision. 3. More rigorous audit of Building Responsible Officer monitoring to be undertaken.	3	2	6			

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16. Property- Delay and compensation event claims are received leading to extensive costs. 97	Contingency held to address unforeseen issues may be overspent	All claims are monitored and are challenged using internal and external resources. Continued dialogue with the Finance Team to monitor the financial position.	5	4	20	Review meeting established with the contractor and information being sought to substantiate claims with the assistance of a programme analyst and specialist advisors To date information has not been forthcoming from the Leicester and Leicestershire Economic Partnership.	4	3	12	Contingency provision is over subscribed	Mark Lloyd	30.04.2016 and ongoing
17. Care Services & Commissioning (ASC) - Quality of care provision in the council's residential homes falls below required standards.	Detriment (harm) to individuals, groups or the Council (financial or reputational)	Management audits of practice and development of plans to promote improvements	5	3	15	Audit processes in place via Adult Social Care contracts and assurance team. This is in addition to Care Quality Commission inspections.	5	2	10		Tracie Rees	31.03.2016 and ongoing
18. Care Services & Commissioning (ASC) - Failure to maintain quality, safe services	Reduced quality, safeguarding, staff sickness	Reed opening up the market, developing induction days and tools, benchmarking training and using the Swedish Derogation rule for consistency.	4	4	16	Monitor and engage with Reed to ensure development measures are undertaken. Monitor quality of agency staff	2	3	6		Tracie Rees	31.03.2016 and ongoing

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19. Care Services & Commissioning (ASC) - Failure to carry out effective statutory consultation will result in financial and reputational damage to the council.	Council could face legal challenge through judicial review	Consultations being run as a dedicated project overseen by a senior manager with some temporary additional resource. Ensure time is built into each review, development of all strategies etc. to allow for consultation	5	4	20	Stakeholder engagement strategy in place and we always seek advice from legal services and corporate consultation team. Legal services sign off all consultation materials and agree the approach and methodology. Officers to seek guidance from the corporate consultation team when needed	4	3	12	A Judicial Review legal challenge could cost the authority several millions if the methodology used by the Council is not robust	Tracie Rees	31.05.2016 and ongoing

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20. Care Services & Commissioning (ASC) - Future of the Councils 8 Elderly Persons Homes - High risk politically, however, failure to implement carries high financial risks in terms of deteriorating buildings and reducing occupancy levels. Delay to implementation will impact on budgeted savings. Legal challenge arising from TUPE consultation impacts on project delivery.	An Executive decision was made (15.10.2013) to close 4 of the homes and sell 4 in 2 phases to achieve budget savings and address falling occupancy. Phase 1 is now completed. Phase 2 in progress.	A Programme/Project Board which will report to the Corporate Programme Management Office (CPMO) has been established to implement the Executive decision over 3 years	4	4	16	Care management teams to support and inform residents and carers. Deliver to project timescale and provide Executive with clear advice to support speedy decision making. Ensure effective TUPE process and an employment lawyer and HR to be part of implementation team.	4	3	12	There are budget savings of £3.5m associated with the future of the homes	Tracie Rees	31.12.2015
21. Care Services & Commissioning (ASC) - Implementation of the 5 Year Leicester, Leicestershire and Rutland (LLR) Better Care Together Plan carries high financial and political risk	Financial impact/legal challenge	An LLR Programme Board has been established that includes health and social care chief officers	5	4	20	An LLR Programme Board has been established that includes health and social care chief officers	3	3	9	Operational and cost implications still to be determined	Tracie Rees	01.01.2019

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22. Care Services & Commissioning (ASC) - Non implementation of the Care Act 2014 100	High financial risk and operational non compliance	Phase 1 of the Act successfully implemented on 01/04/15. Phase 2 - Funding Reform now in detailed project planning for 01/04/2016 The implementation will report on a regulate basis to the ASC Leadership Team and Cllr Patel (Lead for ASC)	5	3	15	A Programme Board has been established that will report to the CPMO. Project work streams designed to deliver compliance	3	2	6	Full costs are still to be determined - financial assessment in progress National, regional and local work taking place to forecast increased demand.	Tracie Rees	31/03/2016
23. Care Services & Commissioning (ASC) Quality of care in the Independent regulated services including; residential homes, domiciliary care and supported living providers falls below standards	Detriment (harm) to individuals, groups or the Council (financial or reputational)	High level Audit processes in places via Adult Social Care contracts and assurance team. This is in addition to Care Quality Commission inspections.	5	4	20	Quality Assurance Framework to be used to support identified failing providers.	5	3	15		Tracie Rees	31/03/2016 and ongoing

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<p>24. Care Services & Commissioning (ASC) Non compliance with our duties under the Equalities Act. Failure to adequately identify and address (where possible) equality impacts of proposed actions.</p>	<p>Council could face legal challenge through judicial review</p>	<p>Equality impact assessments (EIA) are built into service reviews, strategy developments and decision making which help to identify equality impacts and actions to be taken.</p>	5	3	15	<p>Ensure all staff are fully aware of when to use EIA's and build this into their routine work (when necessary). Training to be offered through Better Care Together.</p>	5	2	10	<p>A JR legal challenge could cost the authority several millions if the methodology used by the Council is not robust</p>	<p>Tracie Rees</p>	<p>31/03/2016 and ongoing</p>
<p>25. Care Services & Commissioning (ASC) Review of Residential Care. Financial risk - largest area of spend and danger of inappropriate models of care.</p>	<p>Continued escalation of spend; inappropriate placements</p>	<p>Project Board in place; extensive research, analysis and engagement</p>	4	4	16	<p>Robust governance through project board, Commissioning Board and Lead Member Briefing</p>	3	3	9	<p>Current spend £44m gross</p>	<p>Tracie Rees</p>	<p>31/03/2016 and ongoing</p>

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27. Delivery, Communications and Political Governance - ELECTIONS 2015 Three elections taking place on one day will be complex and will require significant resources to deliver	- Elections are not performed appropriately/challenges are received. - Reputational damage. - Adverse effect on finances. - Media coverage. - Public complaints. - Increase in resource requirements. - The potential repetition of the impacts and pressures that arose during the 2011 elections.	- Risk log and project plan in place and planning work commenced at an early stage. - Core election planning team involving relevant expertise e.g. HR, training, ICT, comms along with electoral services staff meeting regularly to plan - Lessons learnt from previous elections reviewed and factored into current planning - Resources including staffing secured and training undertaken by all key staff - Emergency planning and events expertise used to work on aspects - security, evacuation, logistics and infrastructure	4	4	16	'- Continue regular planning meetings and review the project plan, risk log and issues log each time. Ensure mitigating actions for risks are acted upon.	4	2	8		Miranda Cannon	31/03/2016

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<p>28. Delivery, Communications and Political Governance - LEGAL CHALLENGE Increased legal challenges may heighten the need to ensure that processes are effective, efficient, communicated in a uniform manner and that managers and staff follow explicit guidance. Equalities Impact Assessments (EIAs) are likely to become an increasingly targeted area for Legal Challenge.</p>	<p>Communications are not performed in a uniform manner, not consistently worded, communicated or the tone are appropriate, leading to legal challenge. - EIAs due to constant changes and/or lack of centralised guidance around legislation give rise to non compliance. - Lack of legal expertise/appropriate resources.</p>	<p>- Internal audits and assessments (EIAs) are performed to help ensure the Council meets the Public Sector Equality Duty. - On-going reviews of guidance and legislation are conducted. - Processes and procedures in place. - Staff are aware of duties and responsibilities. - Expert support e.g. HR, equalities, consultation and research, CPMO in place with supporting guidance. - Lessons learned/changes arising from any challenge outcomes continue to be communicated and use of external panel to review EIAs for spending reviews / budget - EIA templates recently reviewed and revised</p>	4	4	16	<p>- Continue to build organisational consulting and communication strategies. - Review processes and gap analysis to explore the exposure. - Review external practice e.g. from other Local Authorities, which have been deemed as best practice and implement locally as appropriate. - Ensure the correct resources, with the relevant skills and experience are allocated to roles. - Ensure HR support is</p>	4	3	12		Miranda Cannon	31/03/2016

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28. Delivery, Communications and Political Governance - LEGAL CHALLENGE - Continued 105	<ul style="list-style-type: none"> - Potential for legal challenge by providers, staff etc. - Judicial review. - Reputational damage. - Adverse effect on budget/finance - Resource intensive. - Media exposure. - Information may be inappropriately shared. - Unrealistic public/political expectations. - Procurement process may be challenged. - Procedural rather than strategic challenges. 	<ul style="list-style-type: none"> - Equality checklist for different stages of capital projects developed so that equalities considerations at each stage are recorded and signed off - council EIA template being used for Health & Well Being Board reports and also for Better Care Together reports, standardising our approach. 				<ul style="list-style-type: none"> Mandatory equalities e-learning package being scoped and developed - EIA e-learning module being developed - Consider these actions as one element of a wider package of support for evidence-based policy making and service development, linking in with divisional actions to promote the sharing of intelligence, strengthen practice around option appraisal, consultation and evaluation, and provide practical help with cost-benefit analysis (e.g. researching the scope of a problem, the reasons for intervention, and good practice solutions). 						

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29. Housing - Impact of Welfare Reform on Housing Rents Account (HRA) rental income collection. Universal Credit (UC) is to be fully implemented in 2017. Under UC, claimants will receive all their benefits, including housing costs element the, directly themselves, monthly in arrears. They will have to pay their FULL rent out of this. The biggest challenge to the HRA will be to collect the full rent from those working age claimants whose housing costs are no longer paid directly to the Landlord (LCC) as they are now.	Higher numbers of tenants in rent arrears leading to loss of rental income will adversely affect the HRA income. Could lead to greater number of evictions.	Promote setting up of Credit Union Bank Accounts (CUBA) with tenants., Focus Supporting Tenants and Residents (STAR) team support on those affected. maximise the number of tenants claiming Discretionary Housing Payment for bedroom tax affected cases. Identified tenants who are over-occupying in order to help with downsizing. Promotion/awareness to tenants of Discretionary Housing Payment. Income Management team strengthened. Amending Allocations policy to advise downsizing	4	4	16	Development of Northgate's IT system (phase 2) to support paperless direct debits. Proposal to introduce mandatory direct debit rent payment for new tenants will considered by Executive in June.	4	3	12		Ann Branson	30.11.2015 and ongoing
30. Housing Inability to meet regulatory requirements. Blue light emergency services having difficulty in accessing communal block security doors in an emergency situation.	Delay in attendance/treatment of emergency situations, e.g. medical, fire. Potential to cause death, major or minor injury. Litigation/reputational risk	Fire service have fire keys for security doors. Ambulance and police services do not have keys. In an emergency situation will use intercom system to request a tenant within the block to give access through the security door. Where this isn't possible Police will break-in on behalf of ambulance service.	5	3	15	Implement a programme of fitting key safes to house a fob/pac token along with signs providing instructions for gaining access.	5	2	10		Ann Branson	31/08/2015

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31. Learning Quality and Performance - Schools in Ofsted categories or below floor standard converted to academies by order of the secretary of state.	Schools no longer Local Authorities (LA) schools; impact on overall schools budget and reputation of authority. Difficult to maintain an overview of Children /young people that the LA continue to be responsible for.	School improvement strategy and LA support plans. School2School partnership are in place. Performance dialogue meeting between School Improvement Advisor and school leadership teams for every school in the City. Support and challenge is provided in inverse proportion to need.	3	5	20	Targeted support packages in place for schools in scope for conversion. Half termly progress checks through team around the school meetings Whole school reviews for those schools that are Requires Improvement or in Special Measures - Regular reports submitted to Divisional Management Team re current position	4	4	16		Jane Winterbone	31/03/2016

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32. Learning Quality and Performance - Leicester could be subject to a targeted Ofsted inspection with multiple inspections across schools followed by Local Authority (LA) inspection.	LA can provide evidence to support positive outcome but resource demands would be significant. Major issue about credibility of service which could increase the number of schools changing to academy status	School improvement reserve budget	4	4	16	Positive response to recommendations identified in peer review completion of a detailed Self Evaluation Form leading to a revised school improvement framework Close work between LA Officers, Dept. For Education & Ofsted representation to manage RI/SM schools Action plans in place for new teams in the raising achievement service linked to Self Evaluation Form	3	4	12		Jane Winterbone	31/03/2016
33. Learning Quality and Performance (LQP) - Children's Capital Investment Delayed capital projects disrupts educational improvements in schools	The schools overall time and capacity to focus on educational improvements is reduced and/or comprised.	LQP services to be targeted where necessary to provide additional support. Relationship Management via HoS to capture risks and Issues for Schools are reported with resolution via Corporate Portfolio Management Office (CPMO).	4	4	16	CPMO provides regular update on the impact of any delay to the school and if required, LCC services between education and property are brought together to arrange support.	3	2	6	Staff time	Jane Winterbone	31/03/2016 and ongoing

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34. Learning Quality and Performance School closure required due to significant health and safety snags and defects works incomplete in capital projects. i.e. Heating, ventilation, water and fire system failures	Statutory education days in schools for Children and Young People not met	Building Review Groups (BRG) are established by BSF property to identify and resolve high risk snags and defect items.	4	4	16	Resource management plan of how schools will be supported in BSF post handover to be developed between property and education.	4	4	16	Staff time	Jane Winterbone	31/03/2016 and ongoing
35. Learning Quality and Performance Leicester City Council reputation / relationships with schools are hindered by the delay in resolving snags and defects items with schools.	Low school engagement in sharing and / or celebrating impact of Building Schools For Future (BSF). Complaints from schools are likely to increase. High project staff turn over impact on schools confidence in LCC resolving snags and defects.	BSF School's in phase 3 to 6 identified as high risks are indicated on internal CPMO report with mitigating actions.	5	5	25	Resource management between property and education to be agreed. Children's Capital Governance to be reviewed to ensure resolution to snags and defects is reported and managed through the system. Clarity to schools provided on escalation route for snags and defects concerns	5	5	25	staff time	Jane Winterbone	31/03/2016 and ongoing

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36. Learning Services - Loss of Building Schools For Future (BSF) knowledge and Intelligence through high staff turnover in project teams 110	Resolution to issues delayed. Reactive handover with no record of change, agreement or clarity for schools	School have been asked to request BRG reports from BSF project team so that they can take ownership in prioritising issues / actions to be completed. Final list of issues and snags has been escalated for resolution.	4	4	16	Resource management plan of how schools will be supported in BSF post handover to be developed between property and education.	4	5	20	staff time	Jane Winterbone	31/03/2016 and ongoing

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<p>37. Public Health - Data Access and Sharing - Unresolved issues in national guidance on this matter. Pseudonymised Hospital Episode Statistics data for 10 years has not yet been released to us. No current access to birth and deaths (temporarily withdrawn) and risk will be there depending on how long Office of National Statistics takes to approve permissions. Regarding data from General Practitioners (Systemone) the requirements for a data agreement with all data owners. This process is complicated and detailed.</p>	Offer a limited services in terms of core offer and other analyses required.	<p>Audit Information Governance within Division to support move to Information Governance Toolkit Level 3 Division of Public Health is at Information Governance Toolkit Level 2. Awaiting national decisions ether within the Department of Health, NHS England, Health and Social Care Information Centre and or the Information Governance Officer. Application made for births and deaths data. Current access through GEMCSU has not yet been activated for testing.</p>	4	4	16	<p>More timely data being released nationally on line (aggregated - does not support analysis at lower level). Maintain Information Governance Toolkit Level 2 and work to Level 3. Awaiting national decisions either within the Department of Health, NHS England, Health and Social Care Information Commissioner and/or the Information Governance Officer (secondary care data). Follow up application to Office of National Statistics. Information agreements being drawn up for specific projects (for</p>	4	3	12		Rod Moore	31/03/2016

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38. Public Health- Capability and Capacity- Recruitment of staff with special knowledge and expertise 112	Potential future succession planning issues. Less effective commissioning of specialist programmes Contracts are procured without the correct expertise/knowledge resulting in corrective action of legal costs. Incurring of additional costs through a need for agency and temporary staff to provide cover for work areas	Adherence to Local Government Association/Public Health England guidance relating to recruitment of staff Job description written in a relevant way to attract target applicants. Pay scales broadly similar to National Health Service/market force. Job evaluation complete	4	4	16	Engage with Human Resources colleagues to understand and put in place steps to shape our recruitment offering to entice high calibre, relevant etc. candidates in future recruitment and enable successful succession planning Inc. protection of National Health Service pension arrangements Regarding the Consultant post job offer, in the interim a market increment will be applied for to ensure posts can be advertised closer to former NHS levels. In the longer term a higher substantive banding for the role will be sought. Seek grading scheme beyond market supplements	4	3	12		Rod Moore	31.03.2016

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39. Public Health- Clinical Governance - There is currently a lack of clinical governance at a corporate level within the Local Authority. The Director of Public Health (DPH) has an assurance role, however, the depth and levels of assurance allowing them to discharge their duties is currently unclear. In addition, to perform a robust assurance programme over all of the DPHs accountabilities would require significant investment/resource	Potential risks to patients and the public. Possible failure of external reviews/appraisals. Increase in costs.	- Clinical Governance Group is in place with Public Health - There are existing arrangements with stakeholders/providers; such as Clinical Commissioning Group , Leicestershire Partnership Trust etc who are required to deliver clinical governance assurance.	5	3	15	Continual on-going stakeholder engagement and development of existing and future relationships. Clinical Commissioning Group in place. Progress report to be made to Quality Surveillance Group. Framework for Clinical Group adopted	4	3	12		Rod Moore	31.03.2016

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<p>40. Public Health Insufficient funding transferred to the LA on 1 October 2015 to meet the full cost of the Health Visiting and Family Nurse Partnership Service (FNP). Agreement has been reached with NHS England regarding the level of resource to be transferred. However, there are still some ambiguities e.g.. FNP licence fee. Furthermore, there is also a lack of performance data from the provider and an issue regarding the commissioning of registered versus resident population.</p>	<p>Increased costs to the local authority Reputational risk through the LA being forced to reduce service levels to meet unfunded costs Registered versus resident population: possible safeguarding issue due to families that may be missed</p>	<p>- Health Visiting Transfer Group with LA has considered the issue and worked with NHS England to clarify scope and funding. On the advice of this group the City Council (along with Leicestershire and Rutland County Councils) has not signed-off the estimates provided by Public Health England. Detailed reasons have been submitted to NHS England. Performance framework negotiated with provider re Health Visiting contract. Lead to be recruited and Action plan to be developed. Commissioning for Quality and Innovation (CQUIN) monies attached to delivery (£104K from NHS England, £104K from LCC). Ongoing meetings with NHS England and provider Discussion between NHS England and FNP National Unit to clarify ambiguities regarding FNP licence fee</p>	4	4	16	<p>Review of Health Visiting, Family Nurse Partnership and School Nursing (Healthy Child Programme 0-19 years) currently being undertaken for reprocurring services within budget. Awaiting response through NHS England Area Team or directly from NHS England nationally at this stage. Task group being set up across LLR to discuss a progressive action plan on moving from a registered to resident population</p>	4	3	12		Rod Moore	30.09.2015

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 30th April 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further management (See Scoring Table)			Cost	Risk Owner	Review Date
			Impact	Probability	Risk		Impact	Probability	Risk			
41. Public Health - Integrated Sexual Health Service Provider (Staffordshire, Stoke on Trent Partnership) unable to continue to deliver the contracted services due to an apparent financial shortfall between the contract value and delivery costs.	Provider could give notice before end of contract forcing early reprocurement Quality of service could be compromised Potential financial, legal and reputational risk to the Council	Leicester City and Leicestershire and Rutland County Councils have a joint partnership management group who are work closely with the provider.	4	4	16	Continued meetings with other commissioners, legal advice sought, action plan awaited from provider action plan awaited from provider by end of June 2015	4	3	12		Rod Moore	30/06/2015
42. Strategic Commissioning and Business Development - Safeguarding/ teaching and learning workforce programmes are ineffective and Local Authority has insufficiently trained staff to deliver and manage the range.	Stress management failings, lacks capacity and competency. Potential adverse impact on inspection outcomes.	Work Life Balance policies, and supporting wellbeing website www.childrensworkforce/ supporting wellbeing Learning Training & Development Plan refreshed – new Department priority and focus on qualification and safeguarding training.	4	4	16	Management to implement health and safety and wellbeing policies and seek advice and support to mitigate risk of undue stress in the workforce New corporate team to actively engage in implementing workforce strategy and limited	4	3	12		Carl Edwards	01.03.2016

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 30th April 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further management (See Scoring Table)			Cost	Risk Owner	Review Date
			Impact	Probability	Risk		Impact	Probability	Risk			
<p>43. Legal - Key areas of risk are: flexible working practices which expose data to new risks, inappropriate disclosure of personal data, insecure and excessive information sharing externally and internally, lack of universal participation in Information Governance training, lack of awareness of the compliance and enabling role of Information Governance and failure to comply with the Regulation of Investigatory Powers Act 2000. (Also see corresponding risks around Data Protection and Freedom of Information compliance.)</p>	<p>- Data may be lost or shared inappropriately. - Potential legal challenge. - Breaches in regulation/legislation, which may incur fines, reputational damage and negative media coverage. - Local breaches are not reported to the Information Governance Team until a compliant arises. There may be a number of unreported information governance breaches which are unreported and being managed at a local level. - Subject Access Requests: this area has failed in compliance in 2013, and could fail again in the future.</p>	<p>- Policies and procedures in place e.g. security, retention and disposal. - Devices are encrypted. - Staff are briefed on Information Governance compliance and asset management. - Improvement plan identifies necessary procedural updates etc. - Good liaison with Information Commissioners Office (ICO) and increased visibility and compliance. - Regular reports to Directors on the importance of Information Governance compliance. - Staff are required to complete Information Governance (IG) training on induction and all staff were asked to complete training in 2013. - Leicester City Council submissions to the NHS Information Governance Toolkit provide a health check on Information Governance policies and systems. - Self service Information Governance Healthcheck tool for managers has been drafted. Next stage is testing. NB staff turnover and high rates of change are increasing the Council's exposure to risk here.</p>	4	5	20	<p>- Requirement for all to complete annual Information Governance awareness training should be enforced. - Introduce a self-service IG health check for Managers to check their team's compliance and identify their own improvement actions. - IG issues to be addressed more consistently in contracts outside IT Procurement (where this is systematic). - Need for services facing high staff turnover to prioritise Data Protection and security training to maintain capability levels.</p> <p>NB: in a changing context, controls need to evolve and be constantly refreshed to maintain the risk exposure at the current level and prevent</p>	4	3	12		Kamal Adataia	31/03/2016 Ongoing

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 30th April 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further management (See Scoring Table)			Cost	Risk Owner	Review Date
			Impact	Probability	Risk		Impact	Probability	Risk			
<p>44. Local Services and Enforcement - LACK OF ADEQUATE RESOURCE CAPACITY</p> <p>Increase in the demand led services, along with the reduction in head count could mean that there are insufficient resources to deliver the required service levels.</p> <p>During times of change, staff are not always aware of the changes being made, such as the recent relocation requirements, needs and plans etc, resulting in confusion etc.</p>	<ul style="list-style-type: none"> - Teams already at a minimum and extra workloads are unsustainable. - As demand-led services increase, workload and public expectations increase. - Likelihood of key person dependency as teams reduce further (fewer people in key roles). - Potential risk of non-compliance or breaches/lack of a substantial control environment. - Service delivery requirements may not be met. - Staff wellbeing may be 	<ul style="list-style-type: none"> - Existing prioritisation arrangements are in place. - Policies and procedures are in place. - Processes are in place. 	4	4	16	<ul style="list-style-type: none"> - Review of succession planning is to be conducted. - Need to assess the service demand against the resource availability to understand impacts and generate action plans. - Develop further prioritisation arrangements. - Continually assess through performance appraisals and individuals one-to-ones. 	3	3	9		John Leach	31/03/2016

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 30th April 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further management (See Scoring Table)			Cost	Risk Owner	Review Date
			Impact	Probability	Risk		Impact	Probability	Risk			
<p>45. Local Services and Enforcement</p> <p>REDUCTION IN INCOME GENERATION PROGRAMMES</p> <p>↕</p> <p>↔</p> <p>With reductions in public demand in building, parking, licencing, income generated by the Council may be significantly reduced and income generation/revenue targets may not be met.</p> <p>Also, 'one off' income programmes are set as recurring within the budgets/accounts; impacting further on future financial targets</p>	<ul style="list-style-type: none"> - Budgets are not adhered to. - Income streams continue to reduce (e.g. Building Regs) due to the economic climate. - Targets remain the same or increase, against income sources and staff reductions. - One off income is disclosed as recurring, increasing the savings gap. 	<ul style="list-style-type: none"> - Budgets are in place and alternative savings option appraisals are performed and saving plans are implemented. - Policies and procedures are in place. - Adhoc business development arrangements are in place. 	3	5	15	<ul style="list-style-type: none"> - Need to review income targets for recurring and 'one off' income with finance to resolve on-going issues. - Enhance the business development resources/opportunity. - Budget strategy review. - Service review/impacts. - Further marketing and promotional projects. 	3	4	12	N/A	John Leach	31/03/2016 Ongoing

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 30th April 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further management (See Scoring Table)			Cost	Risk Owner	Review Date
			Impact	Probability	Risk		Impact	Probability	Risk			
<p>46. Local Services and Enforcement RESOURCE & CAPACITY - INCREASED WORKFORCE AGE PROFILE</p> <p>Specialist skills and knowledge within the team may be lost due to future retirement programmes. Furthermore, national surveys have identified a lack of aspiration in individuals (younger generation, female workforce and some ethnicities) wishing to join the Council within these roles.</p>	<p>- Teams already at a minimum number and extra workloads may be unsustainable. - Likelihood of key person dependency as teams reduce further (fewer people in key roles). - Potential non-compliance with legislation/regulation. - Potential stress-related absence/claims. - Quality of service delivery may be affected</p>	<p>- "Step up" - work experience utilise. - Graduate project officers. - Training & Mentoring - Knowledge sharing</p>	3	5	15	<p>- Succession planning review is required. - Continue to enhance and develop the apprenticeship scheme. - Commence positive promotion of the work/career in this area. - Seek funding for apprenticeship. - Ensure knowledge sharing takes place. - Training/ Mentoring/ Structuring.</p>	3	4	12	N/A	John Leach	31/03/2016 Ongoing

Appendix 3 – Risk Assessment Scoring Guide and Matrix 2014

	IMPACT	SCORE	BENCHMARK EFFECTS
CRITERIA	CRITICAL/ CATASTROPHIC	5	<ul style="list-style-type: none"> Multiple deaths of employees or those in the Council's care Inability to function effectively, Council-wide Will lead to resignation of Chief Executive and/or Leader of the Council Corporate Manslaughter charges Service delivery has to be taken over by Central Government Front page news story in National Press (e.g. Baby P) Financial loss over £10m
	MAJOR	4	<ul style="list-style-type: none"> Suspicious death in Council's care Major disruption to Council's critical services for more than 48hrs (e.g. major ICT failure) Noticeable impact in achieving strategic objectives Will lead to resignation of Strategic Director and/ or Cabinet Member Adverse coverage in National Press/Front page news locally Financial loss £5m - £10m
	MODERATE	3	<ul style="list-style-type: none"> Serious Injury to employees or those in the Council's care Disruption to one critical Council Service for more than 48hrs Will lead to resignation of Divisional Director/ Project Director Adverse coverage in local press Financial loss £1m - £5m
	MINOR	2	<ul style="list-style-type: none"> Minor Injury to employees or those in the Council's care Manageable disruption to internal services Disciplinary action against employee Financial loss £100k to £1m
	INSIGNIFICANT/ NEGLIGIBLE	1	<ul style="list-style-type: none"> Day-to-day operational problems Financial loss less than £100k

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LIKELIHOOD	SCORE	EXPECTED FREQUENCY
ALMOST CERTAIN	5	Reasonable to expect that the event WILL undoubtedly happen/recur, possibly frequently.
PROBABLE/LIKELY	4	Event is MORE THAN LIKELY to occur. Will probably happen/recur, but it is not a persisting issue.
POSSIBLE	3	LITTLE LIKELIHOOD of event occurring. It might happen or recur occasionally.
UNLIKELY	2	Event NOT EXPECTED . Do not expect it to happen/recur, but it is possible it may do so.
VERY UNLIKELY/RARE	1	EXCEPTIONAL event. This will probably never happen/recur.

Appendix 3 – Risk Assessment Scoring Guide and Matrix 2014

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable/Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely/ Rare 1	1	2	3	4	5
		<i>Insignificant/ Negligible</i> 1	<i>Minor</i> 2	<i>Moderate</i> 3	<i>Major</i> 4	Critical/ Catastrophic 5
IMPACT (B)						

Appendix 4 - Insurance Claims Data

LEICESTER CITY COUNCIL - Insurance Claims Received 1 April 2015 - 31 May 2015

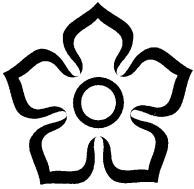
Claims received and being dealt with

Incidents	Total Claims	Repudiated	In Progress	Paid	Amount Paid
12	118 (97)	13 (28)	83 (56)	12 (13)	£10200 (£11,069)

Breakdown by Area and Type of Claim

Division	Responsible Director	Claim Type					Total Number	£ Value
		Employers Liability	Public Liability	Professional Indemnity	Personal Injury	Motor		
Local Services & Enforcement	John Leach	2	4		3	6	15 (24)	6400
Plan, Trsport & Economic Dev.	Andrew L Smith		26		18	10	54 (51)	1800
Children, Young People and Families	Clair Pyper						0 (8)	
Housing	Ann Branson	5	19		8	13	45 (39)	2000
Adult Soc Care & Safeguarding	Ruth Lake					1	1 (0)	
Del, Comms & Pol Governance	Miranda Cannon						0 (0)	
Information & Cust Access	Alison Greenhill						0 (1)	
Property	Mark Lloyd						0 (0)	
Learning Services (incl Schools)	Jane Winterbone						0 (1)	
Finance	Alison Greenhill	1			1		2 (0)	
Legal Services	Kamal Adatia						0 (0)	
Culture & Neighbourhood Svcs	Liz Blythe		1				1 (0)	
City Public Health & Health Imp	Rod Moore						0 (0)	
Care Svcs & Commissioning	Tracie Rees						0 (1)	
	Total	8	50	0	30	30	118 (125)	10,200 (11,070)

Last 12 months rolling repudiation rate - 76% (76%)



Leicester
City Council

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Audit & Risk Committee

1st July 2015

Internal Audit – 2nd Quarter Operational Plan 2015-16

Report of the Director of Finance

1. Purpose of Report

1.1. Finance Procedure Rule 7.2.1 states that:

‘The Head of Audit shall prepare and agree with the Chief Finance Officer an Annual Audit Operational Plan which will set out the intended work of Internal Audit over the coming year. The plan shall be based on an objective assessment of need arising from an analysis of risk and shall be approved, but not directed, by the Audit Committee.’ (sic)

1.2. The Internal Audit Plan for 2015-16 has been prepared on the basis of broad areas of audit coverage rather than detailed lists of specific audits. It was considered by the Corporate Management Board and was approved by the Audit & Risk Committee on 31st March 2015.

1.3. In addition, the terms of reference of the Audit & Risk Committee include:

‘To consider, challenge and approve (but not direct) Internal Audit’s strategy and plan and monitor performance on an annual basis.’

1.4. This report presents to the Committee the detailed operational audit plan for the second quarter of the financial year 2015-16. It has been agreed by the Corporate Management Team and the Finance Management Team.

2. Recommendations

2.1. The Audit & Risk Committee is asked to note the Internal Audit operational plan for the second quarter of 2015-16, attached at Appendix A.

3. Report

3.1. Rather than presenting a detailed list of specific audits, the annual audit plan is grouped into areas of audit. The intention is that, given the continuing uncertainties the Council faces, the audit plan can be readily adjusted to reflect changes in risks and priorities while maintaining a sufficiency of audit coverage for each of the relevant areas.

- 3.2. The generic annual plan is then translated into detailed quarterly plans as the year progresses, setting out Internal Audit's intended work for each forthcoming quarter. These plans take into account emerging risks and requests for audit involvement alongside seasonal or other external factors that influence the timing of audit work. For example, school audits fall within the school terms and are chiefly planned to coincide with the new academic year, while other audits such as grant certifications are determined by the submission deadlines of the relevant funding agency.
- 3.3. The detailed operational plan for the second quarter of 2015-16 is attached at Appendix A. The following are worthy of note:
- a) **IT audit** will assess the security arrangements in place on major new or enhanced IT systems.
 - b) **Grant certification audits**, to provide audit certificates in line with the requirements of the relevant funding agencies.
 - c) Continuing work on **Regional Growth Fund** and **City Deal** grant payment verifications on behalf of the Leicester and Leicestershire Enterprise Partnership (LLEP). This is a continuation of work started in 2014-15.
 - d) Finally, some provision is made for **follow-up** of previous audit recommendations to provide independent confirmation that corrective actions have been demonstrably made to address identified weaknesses in controls.
- 3.4. It should be borne in mind that the quarterly plans refer to audits due to be started. Inevitably, they are not all completed within the quarter so there will be residual work to complete audits started in previous quarters.
- 3.5. In identifying the audits for the quarterly plans, due regard is had to the generic areas of audit set out in the annual audit plan and the need to ensure sufficient coverage of each by the end of the financial year.
- 3.6. The process of using a generic annual audit plan supplemented by quarterly detailed audit plans is well established. It is intended to align Internal Audit's work as closely as possible to current priorities. This allows what were previously 'commissioned' audits that fall within the remit of the statutory audit service to become fully part of the audit plan. The aim is then for Internal Audit to deliver the whole of this more flexible plan, subject to factors beyond Internal Audit's direct control. Having said that, urgent requirements may still arise that cannot wait until the next quarterly plan and have to be accommodated immediately on the basis of risk to the Council.
- 3.7. Internal Audit has been actively pursuing opportunities for income-generating work for other organisations and local authorities. Work with the Leicester and Leicestershire Enterprise Partnership (LLEP) continues. A partnership arrangement with the Internal Audit service at one large local authority is under negotiation at the time of writing, having been agreed in principle. We are also in negotiation with another local authority for specialist IT audit support. Whilst there could be some short-term implications for the City Council's audit plan arising from the need to manage and resource the start of such contracts, in the medium to longer term such work will enable Internal Audit to retain a wider range of auditors and specialities and

maintain or improve economies of scale and resilience, to the City's benefit. Consequently, the second quarter audit plan remains flexible pending confirmation of the extent and timing of this work. In addition, one member of the Internal Audit team is leaving the Council in July, reducing the resources available at least in the short term.

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1. Financial Implications

There are no direct financial implications arising from this report. However, as a result of the work carried out there would be an expectation that implementing recommendations made by Internal Audit will improve the effectiveness, efficiency and economy of service delivery, with potential for consequential reductions in cost or improvements in quality.

Colin Sharpe, Head of Finance, x37 4081

4.2. Legal Implications

The provision of 'an adequate and effective internal audit' is a statutory requirement under regulation 6 of the Accounts & Audit (England) Regulations 2011. The whole audit process is also intended to give assurance that all the activities audited have in place satisfactory arrangements to ensure compliance with relevant law and regulation applicable within the scope of the particular audit review.

Kamal Adatia, City Barrister & Head of Standards, x37 1401

4.3. Climate Change Implications

As no EMAS environmental audits are planned to start in the second quarter, this report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

Louise Buckley, Senior Environmental Consultant, Climate Change, x37 2293

5. Other Implications

Other Implications	Yes/No	Paragraph/References within the Report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	Yes	Whole report and particularly 3.3(a) IT audit. Part of the purpose of Internal Audit is to give assurance on the controls in place to prevent fraud and other irregularity such as breach of data security.
Human Rights Act	No	

Other Implications	Yes/No	Paragraph/References within the Report
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	
Risk Management	Yes	The whole report concerns the Internal Audit process, a main purpose of which is to give assurance to Directors and the Audit & Risk Committee that risks are being managed appropriately by the business.

6. Background Papers – Local Government Act 1972

6.1. Files held by Internal Audit.

7. Consultations

7.1. The audit plan has been prepared in consultation with the Strategic and Operational Directors; Finance Management Team (which includes all Heads of Finance) and the Head of Information Assurance.

8. Report Author

8.1. Steve Jones, Audit Manager, Internal Audit, Financial Services, x37 1622 (0116 454 1622). Steve.jones@leicester.gov.uk

Set out below are the individual audits expected to be started in the second quarter of 2015-16.

This is subject to:

- Client or process availability and readiness for audit
- Internal Audit resources
- Urgent commissioned work, either for the City Council or on an income-generating basis for external organisations.

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Audit	Lead Department and Division	Audit area	Scope	Notes
Corporate Governance – Annual Governance Statement	Corporate Resources (City Barrister & Head of Standards)	Corporate Governance	The assurance processes in place to determine compliance with the Council's Local Code of Corporate Governance and do so in a way that balances administrative efficiency with a robust and reliable assessment.	This work follows the annual review of the Council's assurance framework. It is intended to contribute towards the preparation of the Annual Governance Statement, which will be the main output from this work and will be presented in due course to the Audit & Risk Committee.
Information Governance	Children's Services (Learning, Quality & Performance)	IT Audit	A review of the extent to which staff in Learning, Quality & Performance are aware of their responsibilities under data protection and information governance law and policy.	Provisional; subject to audit resources available.
Social Media	Corporate Resources (Delivery, Communications & Political Governance) (Information Services)	IT Audit	The Council makes increasing use of social media such as Twitter as a prime means of communicating with customers, partner organisations and the public at large. The audit would seek to give assurance that social media are being used securely and effectively.	Provisional; subject to audit resources available.

Audit	Lead Department and Division	Audit area	Scope	Notes
IT security pen-tests - various	Corporate Resources (Information Services)	IT Audit	Technical IT audit testing of the security of new and upgraded IT systems and applications.	This is a continuing requirement as systems developments take place and is therefore dependent on the readiness of the systems and agreement with the lead officers. Individual systems to be tested are therefore subject to confirmation.
LiquidLogic (Social Care system) - data integrity	Adult Social Care (Care Services and Commissioning) Corporate Resources (Information Services)	IT Audit	A review of the controls in place to ensure integrity of data in LiquidLogic and the interface between the operational processes and the resulting financial transactions.	The Divisional Director would welcome independent audit assurance on this important system. Provisional; subject to audit resources available.
Broadband Voucher Scheme	City Development & Neighbourhoods (Planning, Transportation & Economic Development)	Grant Certification	A review of the intended process for the voucher scheme being set up under the requirements of the BDUK Urban Broadband Fund. This is the first stage of a two-stage audit. The second stage will be based on testing of a sample of claims made under the scheme and is scheduled for the final quarter of 2015-16.	The BDUK Urban Broadband Fund is operated nationally by the Department for Culture, Media and Sport to support superfast broadband connection for small and medium-sized enterprises. It will operate through a voucher scheme administered locally by the Council.

Audit	Lead Department and Division	Audit area	Scope	Notes
Local Transport Plan (Specific grant)	City Development & Neighbourhoods (Planning, Transportation & Economic Development)	Grant Certification	Certification of the 2014-15 grant claim in line with the Department for Transport (DfT) guidelines. To give independent confirmation on the appropriate use of Local Transport Capital Block funding.	Grant certification submission deadline 30 September 2015.
Local Sustainable Transport Fund (LSTF) (Specific grant)	City Development & Neighbourhoods (Planning, Transportation & Economic Development)	Grant certification	Certification of the 2014-15 LSTF grant claim in line with the Department for Transport (DfT) certification guidelines. To give independent confirmation on the appropriate use of Local Sustainable Transport Funding.	Grant certification submission deadline 30 September 2015.
Local Pinch Point Fund (LPPF) (Specific grant)	City Development & Neighbourhoods (Planning, Transportation & Economic Development)	Grant certification	Certification of the 2014-15 LPPF grant claim in line with the Department for Transport (DfT) certification guidelines. To give independent confirmation on the appropriate use of Local Pinch Point Funding.	Grant certification submission deadline 30 September 2015.

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Audit	Lead Department and Division	Audit area	Scope	Notes
LLEP Regional Growth Fund payments (RGF3 and RGF4) (continued) and City Deal	City Development & Neighbourhoods (LLEP)	Grant certification audit	<p>The Leicester & Leicestershire Enterprise Partnership (LLEP), for which the City Council is the accountable body, makes payments to businesses from the Regional Growth Fund to support investment and job creation by those businesses.</p> <p>In addition, Internal Audit is reviewing the grant claim for the Loughborough University Science and Enterprise Parks (LUSEP) under the City Deal.</p> <p>The LLEP team requested Internal Audit support in the independent verification of grant-funded expenditure by the businesses supported.</p>	<p>This is a continuation of a major programme of work that started in 2014-15.</p> <p>The audit time needed for this work depends upon the volume of work involved, which is not yet known at the time of writing as it will be undertaken on a case-by-case basis. It is significant, however, in view of the number of cases and the deadlines imposed by the DCLG.</p>
Follow-up audits	Various	Follow-up audits	Evidence-based follow-up of past audit recommendations to assess progress made in implementation.	Audit recommendations are agreed with service management in order to strengthen the controls in operation to protect the Council's interests. This work is intended to ensure that agreed actions are demonstrably put into effect.