

Audit and Governance Committee

Tuesday, 2 April 2019 at 6.30pm
in the Belle Vue Suite, Belle Vue Offices, Skipton

The Chairman (Councillor Harbron) and Councillors Barrett, Brockbank, Brown, Hull, Lis, Mercer, Place and Whitaker

Independent Person: Mr G Robinson

AGENDA

1. **Apologies for Absence** – To receive any apologies for absence.
2. **Minutes** – To confirm the minutes of the meeting held on 29 January 2019.
3. **Public Participation** – In the event that any questions/statements are received or members of the public attend, the public participation session will proceed for a period of up to fifteen minutes.
4. **Declarations of Interest** – All Members are invited to declare at this point any interests they have in items appearing on this agenda, including the nature of those interests.

(Note: Declarations should be in the form of:

a “**disclosable pecuniary interest**” under Appendix A to the Council’s Code of Conduct, or “**other interests**” under Appendix B or under Paragraph 15 where a matter arises at the meeting which relates to a financial interest of a friend, relative or close associate.

A Member of Council who has a disclosable pecuniary interest must leave the room and not take part in the discussion or vote. When declaring interests under Appendix B or Paragraph 15 of the Code, Members must move to the public seating area, not vote, and speak only if members of the public are also allowed to speak at the meeting.)

5. **External Audit: 2018/19 Audit Progress Report** – Report of the External Auditor

Purpose of report – The External Auditor to update the Committee on progress since the last meeting in January 2019.

6. **Internal Audit: Audit Services Progress Report** – Report of the Audit Services Manager

Purpose of report – To present an update on progress made against the 2018-19 Internal Audit plan up to 22 March 2019.

- 7. Internal Audit: Draft Internal Audit Plan 2019-20** – Report of the Audit Services Manager
- Purpose of report – To present the proposed Internal Audit Plan for 2019/20 for consideration and approval.
- 8. (a) Internal Audit Report** – Report of the Audit Services Manager
- Purpose of report – To present an Audit Services report in relation to Property Valuations.
- (b) Internal Audit Report** – Report of the Audit Services Manager
- Purpose of report – To present an Audit Services report in relation to Housing Benefit.
- (c) Internal Audit Report** – Report of the Audit Services Manager
- Purpose of report – To present an Audit Services report in relation to Creditors.
- (d) Internal Audit Report** – Report of the Audit Services Manager
- Purpose of report – To present an Audit Services report in relation to Debtors.
- (e) Internal Audit Report** – Report of the Audit Services Manager
- Purpose of report – To present an Audit Services report in relation to Council Tax and Non Domestic Rates 2017/18.
- (f) Internal Audit Report** – Report of the Audit Services Manager
- Purpose of report – To present an Audit Services report in relation to Health and Safety Arrangements 2018/19.
- (g) Internal Audit Report** – Report of the Audit Services Manager
- Purpose of report – To present an Audit Services report in relation to Peer Review of Recommendations 2018/19.
- (h) Internal Audit Report** – Report of the Audit Services Manager
- Purpose of report – To present an Audit Services report in relation to Use of Social Media 2018/19.
- 9 Internal Audit – Implementation of Recommendations** – Report of the Chief Finance Officer (s151 Officer)
- Purpose of Report – To present an update on implementation of internal audit recommendations.
- 10. Risk Register Review 2019 – Draft Risk Register** – Report of the Chief Finance Officer (s151 Officer)
- Purpose of report – To present a draft version of the Council's updated corporate risk register.

11. Craven Museum and Art Gallery – Delivery Phase Risks – Report of the Strategic Manager (Planning and Regeneration)

Purpose of report – To present the Craven Museum and Art Gallery – Delivery Phase Risk Register.

12. Any other items which the Chairman decides are urgent in accordance with Section 100B(4) of the Local Government Act, 1972.

Agenda Contact Officer:

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Please do not leave a meeting without telling the Chairman or a representative of Legal and Democratic Services.

Terms of Reference – Audit and Governance Committee

(a) In relation to internal and external audit activities, to:

- draw together the key components of corporate governance in relation to audit; promoting internal control, focusing audit resources and monitoring the management and performance of the providers of Internal Audit Services;
- consider the Annual Report and Opinion from Internal Audit, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements;
- consider summaries of specific internal audit reports focusing on those areas that receive 'limited assurance';
- consider a report from Internal Audit on the implementation status of agreed recommendations;
- consider the External Auditor's Annual Letter, relevant reports, plans, and report to those charged with governance;
- consider specific reports as agreed with the External Auditor;
- comment on the scope and depth of External Audit work and to ensure it gives value for money;
- liaise with the Audit Commission over the appointment of the Council's External Auditor; and
- approve the annual work programmes for Internal and External Audit and, in exceptional cases, to have the ability to commission work directly from audit providers.

(b) In relation to the Council's regulatory framework, to:

- ensure the effective development and operation of corporate governance within the Council and to maintain the Council's Constitution : the Standards Committee to be consulted on the review of any codes and protocols that relate to the ethical framework;
- review issues referred to it by the Chief Executive, Director, Corporate Head or any Council body;
- approve the corporate risk management framework in accordance with the Risk Management Strategy and Policy Statement; and monitor the effective development and operation of the risk management process: make any necessary changes to the process, including any recommendations for changes to the Strategy and Policy Statement;
- monitor Council policies on 'Whistle-blowing' and the Anti-fraud and Anti-corruption strategy;
- monitor progress on implementation of Internal Audit recommendations;
- oversee the production of the authority's Statement on Internal Control and to recommend its adoption to the Policy Committee / Council;
- consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice; and
- consider the Council's compliance with its own and other published standards and controls.
- Monitor the use of the Regulation of Investigatory Powers Act 2000.

(c) In relation to the Council's Financial Statements / Accounts, to:

- review and approve the annual Statement of Accounts, including whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Policy Committee / Council.

- consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

(d) Under Part 4 (Parishes), Chapter 3 (Reorganisation) of the Local Government and Public Health Act 2007 (and any amending legislation):

- to be responsible for conducting community governance reviews within the District.

AUDIT AND GOVERNANCE COMMITTEE

29 January 2019

Present – The Chair (Councillor Harbron) and Councillors Barrett, Brown, Lis, Mercer and Place.

Officers – Chief Executive, Chief Finance Officer (s151 Officer), Solicitor to the Council and Monitoring Officer, Electoral Services Manager and Democratic Services Manager.

Apologies for absence were received from Councillors Brockbank, Hull and Whitaker and Independent Member, Greg Robinson.

Start: 6.30pm

Finish: 7.22pm

The minutes of the meeting held on 30 October 2018 were approved as a correct record and signed by the Chair.

Minutes for Report

AC.332 **EXTERNAL AUDIT: 2018/19 PROGRESS REPORT**

A report was submitted by Mazars, which provided an update on progress in delivering its responsibilities as external auditor for the Council.

The Chair welcomed the following representatives to the meeting:

- Karen Murray, Engagement Lead, Public Services Audit, Mazars
- Daniel Watson, Engagement Manager, Public Services Audit, Mazars.

Resolved – That the audit progress report is noted.

AC.333 **EXTERNAL AUDIT: 2018/19 AUDIT STRATEGY MEMORANDUM**

A report was submitted by Mazars, which presented the Audit Strategy Memorandum for Craven District Council (CDC) for the year ending 31 March 2019.

The document summarised the audit approach undertaken by Mazars and highlighted significant audit risks and areas of key judgements. It was reported that a further update was to be presented to the July meeting of Audit and Governance Committee.

Resolved – That the audit strategy memorandum is noted.

AC.334 **EXTERNAL AUDIT: 2017/18 GRANTS LETTER**

A letter was submitted by Mazars, which presented the results of certification work for 2017/18.

It was advised that the only claim or return was the Housing Benefit Subsidy return. Initial testing had identified an error in relation to misclassified overpayments. The result of the amendment was to increase the subsidy owed to the Council by £1,193.

Resolved – That the results of certification work for 2017/18 is noted.

AC.335 **INTERNAL AUDIT PROGRESS REPORT**

The Audit Services Manager submitted a report which presented an update on progress made against the 2018/19 Internal Audit plan up to mid-January 2019.

The Chair welcomed to the meeting, Julie Fearn, Auditor, to present the report.

The key points of discussion were:

- Confirmation that a timetable had been put in place to complete 2018/19 audit work that had been identified as 'in progress'.
- That 2019/20 audit plans were to be presented to the April meeting of Audit and Governance Committee. Members were invited to suggest audit plans for consideration.

Resolved – That the report and appendices are noted.

AC.336

INTERNAL AUDIT REPORT

An audit services report was submitted in relation to the Transparency Agenda. It was advised that a partial level of assurance had been reported. The findings together with an action plan contained three Priority three recommendations (these related to minor issues of non-compliance with controls).

In relation to MK Ref 210, it was advised that information and data on the website was being updated.

Resolved – That the outcome of the Audit Services Report in relation to the Transparency Agenda is noted.

AC.337

INTERNAL AUDIT: IMPLEMENTATION OF RECOMMENDATIONS

The Chief Finance Officer (s151 Officer) submitted a report which presented an update on implementation of internal audit recommendations. This included Priority One internal audit recommendations outstanding and a summary of recommendations that had not yet been cleared.

The Chair welcomed to the meeting, Nicola Chick, Chief Finance Officer (s151 Officer) to present the report.

The key areas of discussion were:

- Confirmation that good progress had been made in relation C6 09 'Physical Security of ICT Equipment and Data'.
- The need to provide Elected Members with risk management training. It was advised that the training was likely to be undertaken by an external provider. Members were asked to state their preference (to the Chief Finance Officer (s151 Officer)) for the session to be delivered during the afternoon or evening.
- In relation to C7 04 'Licensing 2016/17', it was advised that an apprentice had been appointed to the licensing team to assist with reviewing files and removing historic files that were no longer required. One Member pointed out that an estimated completion date had not been identified in the report. It was advised that this issue was to be raised with the Licensing Manager.

Resolved – That the position in respect of implementation of internal audit recommendations is noted.

AC.338

EXEMPTIONS GRANTED UNDER CONTRACT PROCEDURE RULES

The Chief Finance Officer (s151 Officer) submitted a report which reported on the exemptions granted from the Council's Contract Procedure Rules from 1 July 2018 to 31 December 2018.

In response to a query, the Chief Finance Officer (s151 Officer) clarified arrangements in relation to the procurement framework.

Resolved – That the exemptions granted are noted.

AC.339 **RENEWAL OF ELECTRICITY SUPPLY AGREEMENT**

The Chief Finance Officer (s151 Officer) submitted a report which notified Members of the expiry of the current consortium arrangement for the bulk purchase of electricity and to request authorisation to renew this agreement for a further four years.

Whilst acknowledging the importance of ensuring value for money, one Member also highlighted the need as part of future agreements to consider smaller, more environmentally friendly providers.

Resolved – That Craven District Council renews its agreement with the Yorkshire Purchasing Organisation to participate in their consortium arrangement for the procurement of electricity for a further four years.

(Councillor Brown asked for it to be recorded that he abstained from the vote.)

AC.340 **ANY OTHER ITEMS**

In accordance with Section 100B(4) of the Local Government Act 1972, the Chairman agreed to accept an urgent late item of business in relation to an exemption under contract procedure rules. It was advised that due to timing issues an urgent decision was required by the Audit and Governance Committee for a one year extension to the banking contract with Lloyds Bank PLC.

Resolved – That the exemption is granted for a one year extension to the banking contract with Lloyds PLC.

Minutes for Decision

AC.341 **REVIEW OF POLLING DISTRICTS AND POLLING PLACES**

The Chief Executive (Returning Officer) submitted a report which presented an update on consultation responses that had been received in relation to the review of polling districts and places during the period 1 October to 23 November 2018.

The Chair welcomed to the meeting Ben Natrass, Electoral Services Manager, to present the report.

Recommended –

- (a) That no further changes be made to the designation of Polling Districts or Polling Places.
- (b) That the Schedule at Appendix C to the report be adopted.
- (c) That the Schedule be implemented with effect from March 2019.
- (d) That authority is delegated to the Audit and Governance Committee to make any changes to Polling Places in the period to 2023, when the next review will be implemented.
- (e) That authority is delegated to the Returning Officer to make temporary changes to Polling Places during an election period; that is the period between the publication of the Notice of Election and the completion of the Count.

Chairman.

Audit progress report

Craven District Council

March 2019





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This document is to be regarded as confidential to Craven District Council. It has been prepared for the sole use of the Audit and Governance Committee. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

1. AUDIT PROGRESS

Purpose of this report

This report provides the Audit and Governance Committee with an update on progress in delivering our responsibilities as your external auditors.

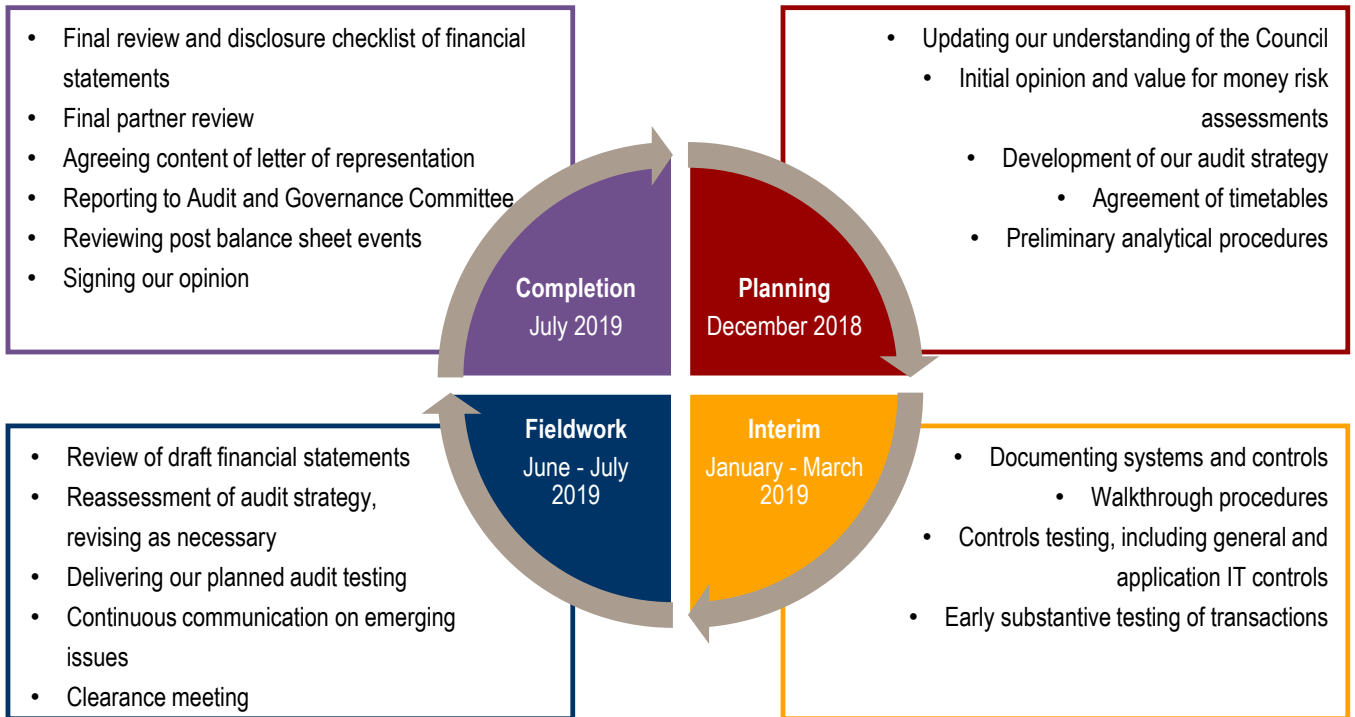
Audit progress

Our key audit stages are summarised in the diagram shown below and our Audit Strategy Memorandum is being presented to the Audit and Governance Committee for discussion at this meeting.

Audit work is on track for the year, with no significant issues arising.

Financial Reporting Workshops

In January we held our Local Government Financial Reporting workshops for officers involved in the production of the financial statements and officers from this Authority responsible for preparing the Authority's financial statements attended. These workshops provided an update on the latest developments as well as a forum for our clients to discuss emerging issues. It included a revisit of 2017-18 final accounts issues, early close implications, changes in the 2018-19 Code and a forward look to future regulatory and policy changes.



2. NATIONAL PUBLICATIONS

	Publication/update	Key points
National Audit Office (NAO)		
1.	Local auditor reporting in England 2018	Main findings reported by auditors in 2017-18.
2.	Local authorities - governance	Consideration of VfM and financial sustainability in local authorities.
3.	NHS financial sustainability	Current picture not sustainable and yet to be seen whether spending plans will deliver the change required.
4.	Planning for New Homes	Overall assessment that planning system not working effectively.
Public Sector Audit Appointments Ltd (PSAA)		
5.	Local quality audit forum	December 2018 forum slides available online.
6.	Oversight of audit quality, quarterly compliance reports	No significant issues.
Chartered Institute of Public Finance and Accountancy (CIPFA)		
7.	Scrutinising Public Accounts: A Guide to Government Accounts	Online publication resource available.
8.	An introductory guide to Local Government Finance	Updated guide which may be of interest to Members.
9.	CIPFA Fraud and Corruption Tracker 2017-18	Annual report. Increase in fraud detected or prevented.
Mazars		
10.	Summary of NHS long-term plan	Views on the deliverability of the plan will vary.
Local Government Association		
11.	Twenty-first Century Councils	Toolkit to help councils empower women, parents and carers to become local councillors and take on leadership positions.

2. NATIONAL PUBLICATIONS

1. Local auditor reporting in England 2018, NAO, January 2019

Since 2015, the Comptroller and Auditor General (C&AG) has been responsible for setting the standards for local public audit, through maintaining a Code of Audit Practice and issuing associated guidance to local auditors.

The report describes the roles and responsibilities of local auditors and relevant national bodies in relation to the local audit framework and summarises the main findings reported by local auditors in 2017-18. It also considers how the quantity and nature of the issues reported have changed since the C&AG took up his new responsibilities in 2015, and highlights differences between the local government and NHS sectors. The report highlights a number of points as summarised below.

- Auditors gave unqualified opinions on financial statements in 2015-16, 2016-17 and 2017-18. This provides assurance that local public bodies are complying with financial reporting requirements. As at 17 December 2018, auditors had yet to issue 16 opinions on financial statements, so this does not yet represent the full picture for 2017-18.
- Auditors qualified their conclusions on arrangements to secure value for money at an increasing number of local public bodies: up from 170 (18%) in 2015-16 to 208 (22%) in 2017-18. Again, as at 17 December 2018, auditors had yet to issue 20 conclusions on arrangements to secure value for money, so this number may increase further for 2017-18. This level of qualifications reinforces the need to ensure that local auditors' reporting informs as much as possible relevant departments' understanding of the issues facing local public bodies.
- Auditors qualified their conclusions at 40 (8%) of local government bodies. The proportion of qualifications was highest for single-tier local authorities and county councils where auditors qualified 27 (18%) of their value for money arrangements conclusions. The qualifications were for weaknesses in governance arrangements, often also highlighted by inspectorates' ratings of services as inadequate.
- More local NHS bodies received qualified conclusions on arrangements to secure VfM than local government bodies. In 2017-18, auditors qualified 168 (38%) of local NHS bodies' conclusions; up from 130 (29%) in 2015-16, mainly because of not meeting financial targets such as keeping spending within annual limits set by Parliament; not delivering savings to balance the body's budget; or because of inadequate plans to achieve financial balance. The increase between 2015-16 and 2017-18 is particularly steep at clinical commissioning groups, with qualifications for poor financial performance increasing from 21 (10%) in 2015-16 to 67 (32%) in 2017-18.
- Local auditors are using their additional reporting powers, but infrequently. Since April 2015, local auditors have issued only three Public Interest Reports, and made only seven Statutory Recommendations. These Public Interest Reports have drawn attention to issues such as unlawful use of parking income, governance failings in the oversight of a council-owned company, management of major projects or members' conduct. Auditors have made Statutory Recommendations in relation to failing to deliver planned cost savings, poor processes for producing the annual financial statements and failure to address weaknesses highlighted by independent reviews.
- A significant proportion of local bodies may not fully understand the main purpose of the auditor's conclusion on arrangements to secure value for money and the importance of addressing those issues. 102 local public bodies were contacted where auditors had reported concerns about their arrangements to ensure value for money:
 - half of the bodies (51) said that the auditor's report identified issues that they already knew about;
 - fifty-seven (95%) of those responding said they had plans in place to address their weaknesses but only three were able to say that they had fully implemented their plans; and
 - twenty-six (25%) did not respond at all to the NAO's request.
- The extent to which central government departments responsible for the oversight of local bodies have formal arrangements in place to draw on the findings from local auditor reports varies. Processes in the relevant central government departments differ. The Department of Health & Social Care, NHS Improvement and NHS England have arrangements in place to monitor the in-year financial performance of local NHS bodies, and use information from local auditor reports to confirm their understanding of risks in the system. The Home Office and Ministry of Housing, Communities & Local Government consider the output from local auditors' reports to obtain a broad overview of the issues local auditors are raising, but there is a risk that these two departments may be unaware of all relevant local issues.

2. NATIONAL PUBLICATIONS

1. Local auditor reporting in England 2018, NAO, January 2019 (continued)

- Under the current local audit and performance framework, there is no direct consequence of receiving a non-standard report from the local auditor. Before 2010, a qualified value for money arrangements conclusion would have a direct impact on the scored assessments for all local public bodies published by the Audit Commission at that time. While departments may intervene in connection with the issues giving rise to a qualification, such as failure to meet expenditure limits, there are no formal processes in place, other than the local audit framework, that report publicly whether local bodies are addressing the weaknesses that local auditors are reporting.

A list of all local bodies that received a non-standard local auditor report for 2017-18 was published alongside the report.

<https://www.nao.org.uk/report/local-auditor-reporting-in-england-2018/>

2. Local authorities - governance, NAO, January 2019

The NAO has recently published a report on local authority governance, which examines whether local governance arrangements provide local taxpayers and Parliament with assurance that local authority spending achieves value for money and that authorities are financially sustainable.

The report finds that local authorities have faced significant challenges since 2010. For example, they have seen a real-terms reduction in spending power of 29% and a 15% increase in the number of children in care. These pressures raise the risk of authorities' failing to remain financially sustainable and deliver services.

The way authorities have responded to these challenges have tested local governance arrangements. Many authorities have pursued large-scale transformations or commercial investments that carry a risk of failure or under-performance and add greater complexity to governance arrangements. Spending by authorities on resources to support governance also fell by 34% in real terms between 2010-11 and 2017-18, potentially increasing the risks faced by local bodies.

In 2017-18, auditors issued qualified VFM arrangements conclusions for around one in five single tier and county councils. A survey, carried out by the NAO, of external auditors indicates that several authorities did not take appropriate steps to address these issues.

Some external auditors have raised concerns about the effectiveness of the internal checks and balances at the local authorities they audit, such as risk management, internal audit and scrutiny and overview. For example, 27% of auditors surveyed by the NAO do not agree that their authority's audit committees provided sufficient assurance about the authorities' governance arrangements. Auditors felt that many authorities are struggling in more than one aspect of governance, demonstrating the stress on governance at a local level.

Some authorities have begun to question the contribution of external audit to providing assurance on their governance arrangements. 51% of chief finance officers from single tier and county councils responding to our survey indicated that there are aspects of external audit they would like to change. This includes a greater focus on the value for money element of the audit (26%). External auditors recognise this demand within certain local authorities. However, their work must conform to the auditing standards they are assessed against and any additional activity may have implications for the fee needed for the audit.

The report also finds that MHCLG does not systematically collect data on governance, meaning it can't rigorously assess whether issues are isolated incidents or symptomatic of failings in aspects of the system. MHCLG recognises that it needs to be more active in leading co-ordinated change across the local governance system. The report recommends that MHCLG works with local authorities and other stakeholders to assess the implications of, and possible responses to, the various governance issues identified. It should examine ways of introducing greater transparency and openness to its formal and informal interventions in local authorities and should adopt a stronger leadership role in overseeing the network of organisations managing key aspects of the governance framework.

<https://www.nao.org.uk/report/local-authority-governance-2/>

2. NATIONAL PUBLICATIONS

3. NHS financial sustainability, NAO, January 2019

This is the NAO's seventh report on the financial sustainability of the NHS. In its recent reports, in December 2015, November 2016 and January 2018, the NAO concluded that financial problems in the NHS were endemic and that extra in-year cash injections to trusts had been spent on coping with current pressures rather than the transformation required to put the health system on a sustainable footing. To address this, local partnerships of clinical commissioning groups (CCGs), NHS trusts and NHS foundation trusts (trusts) and local authorities were set up to develop long-term strategic plans and transform the way services are provided more quickly.

In June 2018, the Prime Minister announced a long-term funding settlement for the NHS, which will see NHS England's budget rise by an extra £20.5 billion by 2023-24. Between 2019-20 and 2023-24, this equates to an average annual real-terms increase of 3.4%. The government asked NHS England to produce a 10-year plan that aims to ensure that this additional funding is well spent. In return for this extra funding, the government has set the NHS five financial tests to show how the NHS will do its part to put the service onto a more sustainable footing.

This report covers 2017-18, so the NAO first concludes on financial sustainability for that year. The NAO considers that the growth in waiting lists and slippage in waiting times, and the existence of substantial deficits in some parts of the system, offset by surpluses elsewhere do not add up to a picture that can be described as sustainable. Recently, the long-term plan for the NHS has been published, and government has committed to longer-term stable growth in funding for NHS England.

In the NAO's view these developments are positive, and the planning approach seen so far looks prudent. The NAO further states that it will really be able to judge whether the funding package will be enough to achieve the NHS' ambitions when we know the level of settlement for other key areas of health spending that emerges from the Spending Review later in the year. This will help inform whether there is enough to deal with the embedded problems from the last few years and move the health system forward.

<https://www.nao.org.uk/report/nhs-financial-sustainability/>

4. Planning for New Homes, NAO, February 2019

The NAO has recently published a report on Planning for new homes. This report is part of a series on housing in England, including Housing in England: overview (2017) and Homelessness (2017). The latest report focuses on the Ministry of Housing, Communities and Local Government's (MHCLG's) objective for housing in England to deliver a million homes by the end of 2020; half a million by the end of 2022; and to deliver 300,000 net additional homes a year on average. The report recognises that increasing the supply of new homes is a complex task and one of the measures MHCLG has introduced to help achieve the objective is reforming the planning system. The report notes that the planning system is fundamental to providing new homes and it assesses how effectively MHCLG supports the planning regime to provide the right homes in the right places through:

- supporting local authorities to produce plans for how the supply of new homes will meet need in their area;
- supporting local authorities and the Planning Inspectorate in having effective and sufficiently resourced planning processes and teams to deal with planning applications and appeals; and
- working effectively with local authorities, other government departments and developers to ensure infrastructure to support new homes is planned and funded.

The report finds that at present, the system is not providing value for money and that the supply of new homes has failed to meet demand. It notes that a number of factors have contributed to the planning system not working and some of these include:

- the process of setting the need for new homes;
- the reductions in local authority capability;
- the under-performing Planning Inspectorate; and
- failures in the system to ensure adequate contributions for infrastructure.

The report recognises that MHCLG's new National Planning Policy Framework is an important step, but it is too early to tell whether the changes it introduces will be effective. The report also makes a number of recommendations for MHCLG to implement alongside the framework to help the planning systems work more effectively.

<https://www.nao.org.uk/report/planning-for-new-homes/>

2. NATIONAL PUBLICATIONS

5. Local Audit Quality Forum, Public Sector Audit Appointments, December 2018

The Local Audit Quality Forum (LAQF) is a forum within which representatives of relevant audit bodies can work together and collaborate with others to share good practice and strive to enable improvements in the quality, efficiency and effectiveness of audit arrangements and practices in principal local authorities and police bodies in England. PSAA wants to develop a momentum and a passion for continuous improvement in audit arrangements throughout the entities and sectors for which PSAA has a mandate.

Slides of the Manchester December 2018 event are available on the PSAA website as per the link below.

The theme of the Manchester event was financial resilience and sustainability, a major challenge for all local authorities and police bodies in the current climate and a key strategic concern as bodies prepare 2019/20 budgets and update medium term plans. The event explored:

- the nature and scale of the sustainability challenges facing local bodies;
- the strategies and disciplines which can help to address them successfully; and
- the roles and responsibilities of Chief Finance Officers and Auditors in helping to maintain resilience and sustainability.

<https://www.psa.co.uk/local-audit-quality-forum3/local-audit-quality-forum/>

6. Oversight of audit quality, quarterly compliance reports 2017-18, Public Sector Audit Appointments Ltd

There are no significant issues arising in the latest quarterly compliance report issued by PSAA.

<https://www.psa.co.uk/audit-quality/contract-compliance-monitoring/principal-audits/mazars-audit-quality/>

7. CIPFA Fraud and Corruption Tracker 2017-18, CIPFA, October 2018

The CIPFA Fraud and Corruption Tracker (CFaCT) survey gives a national picture of fraud, bribery and corruption across UK local authorities and the actions being taken to prevent it. It aims to:

- help organisations understand where fraud losses could be occurring;
- provide a guide to the value of detected and prevented fraud loss;
- help senior leaders understand the value of anti-fraud activity; and
- assist operational staff to develop pro-active anti-fraud plans.

The 2017-18 report shows that fraud continues to pose a major financial threat to local authorities, with £302m detected or prevented by councils in 2017-18. While this was £34m less than last year's total, the report revealed an overall increase in the number of frauds detected or prevented – up to 80,000, from the 75,000 cases found in 2016-17. Among these cases there are reminders of some of the challenges being faced by local authorities, with the number of serious or organised crime cases doubling to 56, and a significant increase in the amount lost to business rates fraud, which jumped to £10.4m in 2017/18 from £4.3m in 2016-17.

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/local-councils-detect-or-prevent-£302m-in-fraud-in-2017-18>

2. NATIONAL PUBLICATIONS

8. Scrutinising Public Accounts: A Guide To Government Finances, CIPFA, November 2018

This guide provides an overview of the different processes for budgeting and performance reporting in central and local government, health bodies and includes key questions to ask when scrutinising government financial statements using examples based on UK public sector accounts.

This publication is available only .

<https://www.cipfa.org/policy-and-guidance/publications/s/scrutinising-public-accounts-a-guide-to-government-finances>

9. An introductory guide to Local Government Finance, CIPFA, February 2019

This introductory guide addresses the basic questions regarding how money flows, how budgets are set and where it is spent in local government. An understanding of these issues is essential to realising the current issues in local government.

This guide is aimed at helping local councillors, those working with and for local councils, and anybody with an interest in the sector to understand the complexity of local government finance.

The guide covers revenue and capital financing, financial reporting, governance and auditing as well as giving an overview of some of the key services provided by local councils.

This guide is available online only.

<https://www.cipfa.org/policy-and-guidance/publications/a/an-introductory-guide-to-local-government-finance-2019>

10. Summary of NHS long-term plan, Mazars, January 2019

The NHS Long Term Plan was published on 7 January 2019. It sets out the priorities for the new funding settlement announced in June 2018 – a real terms increase of £20.5bn by 2023-24 representing an average increase of revenue funding of 3.4% per annum, compared to an average of 2.2% in recent years.

Views on the deliverability of the plan will vary, particularly as some aspects of implementation will depend on spending review decisions later this year and the direction of travel for social care. The plan recognises existing financial pressures and workforce challenges and takes some steps to manage these risks whilst accepting that further nationally-led work is necessary to alleviate these constraints.

<https://www.mazars.co.uk/Home/Industries/Public-Services/Health/NHS-Long-Term-Plan-summary>

11. Twenty-first Century Councils, Local Government Association, March 2019

This toolkit has been developed to help councils create the underlying policies, procedures, ethos and environment that encourages and empowers women, parents and carers to become local councillors and take on leadership positions.

The Local Government Association is encouraging councils to consider their existing practices, celebrate what is working, share good practice and take action to support councillors who are women, parents and carers.

The equal participation of women and men in local politics, as our elected councillors and as our leaders, is an important condition for effective democracy and good governance. Representative councils are best able to speak to, and for, their communities and to support the effective business of local government. Democracy and decision-making are strengthened when councillors reflect the people they seek to serve and represent.

<https://www.local.gov.uk/twenty-first-century-councils>

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Audit & Governance Committee – 2nd April 2019

Audit Services Progress Report



Report of the Audit Services Manager – Shared Internal Audit Service

Ward(s) affected: All

1. Purpose of Report

- 1.1 To update Committee Members on the progress made against the 2018/19 Internal Audit plan up to 22 March 2019

2. Recommendations

Members are recommended to:-

- 2.1 Note the contents of the report and the attached Appendix.

3. Background Information

- 3.1 The work undertaken by Audit Services is governed by the Accounts and Audit (England) Regulations 2011 and the Public Sector Internal Audit Standards (PSIAS). In accordance with paragraph 2.11 of the Standards, the Audit Committee must receive progress reports detailing progress made against the agreed Annual Audit Plan.

4. The Report

- 4.1 This report details the work undertaken by Audit Services and contains a summary of completed reviews along with the overall audit opinion given.

4.2 **Breakdown of Current Position as at 22 March 2019**

2017/18 audits

2017/18 Audits	Audit Opinion	Current Status
NNDR	Significant	Final report
Council Tax	Significant	Final report

2018/19 Audits

2018/19 Audits	Audit Opinion	Current Status
Succession Planning	In progress	Draft report
Peer Review of Recommendations	Significant	Final report
Debtors	Good	Final report
Creditors	Significant	Final report
Housing Benefits	Significant	Final report
Fraud – Flexi time and Overtime Arrangements	In progress	In progress
Property Valuations	Significant	Final
Use of Agency Staff and Contract Employees	In progress	With Manager for review
Social Media	Significant	Final report
Health and Safety Arrangements	Partial	Final
Transparency Agenda	Partial	Final report
Environmental Services Review	In progress	Ongoing – the project is to go live on the 1 st April and the audit review will continue beyond this date to review the next stages post implementation.

- 4.4 The following table shows the progress against the 2018/19 operational plan for the period 1st April 2018 to 22 March 2019.

Audit Area	Total Days per approved Audit Plan 2018/19	Days spent as at 22nd March 2019
Follow up Audit work	2	1.2
ICT	15	15.9
Management	15	14.5
Service Areas	94	82.9
Fundamentals	39	40
Fraud	15	10
TOTAL	180	164.5

- 4.5 The current position on the 2018/19 Audit Plan as at 22 March 2019 is as follows:

Status of Audits	Number of Audits	Percentage of Plan
Final report issued	8	67%
Draft report issued	1	8%
Managers Review	1	8%
In progress	2	17%
Yet to start	0	0%
Total	12	100%

5. Priority Areas to 31st March 2019

5.1 Completion of the Audit Plan

All audits will be completed in line with the agreed plan.

6. Conclusion

- 6.1 All Audits will be completed in line with the agreed plan. Update meetings will continue to be held with the Strategic Manager – Financial Services (s151 Officer) to provide assurance that audit work is progressing as planned

7. **Implications**

7.1 **Financial and Value for Money Implications**

None

7.2 **Legal implications**

None

7.3 **Contribution to Council Priorities**

The delivery of an Internal Audit Service contributes to Council transformation.

7.4 **Risk Management**

The internal audit function is an integral part of internal control.

7.5 **Equality Impact Assessment**

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

8. **Consultations with Others**

Strategic Manager Financial Services (S151 Officer)

9. **Access to Information : Background Documents**

None

10. Author of the Report

Gill Hoyes, Auditor, Craven District Council and Harrogate Borough Council Shared Audit Service.

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

11. Appendices

Internal Audit Plan 2018/19 April – 22nd March 2019 Monitoring

Internal Audit Plan April – 22nd March 2019 MONITORING

Audits (includes audits brought forward 2017/18 audits)	Approved Plan (Days)	Actual April-Jan (Days)	Comments (at time of writing)
2017/18 audits			
Council Tax & NNDR	30	27.75	Final report

2018/19 audits

Succession planning	15	15	Draft report issued
Peer review of recommendations	12	4.6	Final report issued
Debtors	12	13	Final report issued
Creditors	12	12	Final report issued
Housing benefits	15	15	Final report issued
Fraud – Flexi time and overtime arrangements	15	10	In progress
Property valuations	10	10	Final report issued
Use of agency staff and contract employees	15	15	With manager for review
Social media	15	16	Final report issued
Health and safety arrangements	12	18.2	Final report issued
Transparency agenda	15	15	Final report issued
Follow up work	2	1.2	Ongoing
Environmental services review	15	5	Ongoing
Management	15	14.5	Ongoing
Total	180	164.5	

*** Key – Levels of Assurance**

Level	Definition
Significant	The system of internal control is designed to support the Councils corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the area reviewed.
None	There are weaknesses in control, or inconsistent non-compliance which places corporate and service objectives at risk in the area reviewed.

Audit and Governance Committee
2nd April 2019



DRAFT INTERNAL AUDIT PLAN 2019/20

Report of the Audit Services Manager – Shared Internal Audit Service

Ward(s) affected: All

1. Purpose of Report

1.1 The purpose of this report is to provide the proposed Internal Audit Plan for 2019/20 for consideration and approval.

2. Recommendations

2.1 That the Audit & Governance Committee considers and approves the Internal Audit Plan for 2019/20 as set out in this report and attached Appendices.

3. Background Information

3.1 The 2019/20 Internal Audit Plan relates to year one of the agreement for the Harrogate and Craven Shared Internal Audit Service. This new agreement is for the three year period from 1st April 2018 to 31st March 2021, with an option to extend for an additional 2 years.

3.2 The draft Audit Plan for 2019/20 is attached at Appendix A and sets out the areas, functions or activities at Craven which are to be reviewed together with an estimated number of days for each.

4. The Report

4.1 Under the Public Sector Internal Audit Standards, the Chief Audit Executive must give an overall opinion on the adequacy and effectiveness of their authority's internal controls, risk management and governance arrangements. The 2019/20 Internal Audit Plan must therefore include a sufficient range of audit work for this opinion to be given at the year-end in the Annual Internal Audit Report.

4.2 As all of the key financial systems within the Council have either been awarded "significant" or "good" levels of assurance with regards to the internal control environment, the approach from now on will be to adopt a more risk based approach whereby other internal controls are assessed. The controls relating to the key systems will therefore be reviewed on a rolling basis.

- 4.3 The draft Internal Audit Plan for 2019/20 is attached at Appendix A. The number of days allocated to specifically provide the Audit Services Manager with the evidence for the opinion on the control environment is 180 with an additional 20 days available for any ad hoc, consultancy or unforeseen work. This split is in line with the contractual terms of the new Shared Internal Audit Agreement and payment is only requested for the additional 20 days if the s151 Officer agrees that they should be used.
- 4.4 The draft Internal Audit Plan has been developed in consultation with members of Craven District Council's Corporate Leadership Team (CLT) including the s151 Officer, and takes into account:
- Risks of the Authority
 - Corporate Priorities
 - Proposed audit areas identified by the Institute of Internal Auditors
- 4.5 Progress against the plan will be monitored throughout the year and key issues/findings will be reported to CLT and members of Audit & Governance Committee.

5. Implications

5.1 Financial and Value for Money Implications

The Council pays a daily fee to Harrogate Borough Council as its contribution towards the cost of the Shared Service which is hosted by Harrogate.

5.2 Legal implications

5.3 Contribution to Council Priorities

The delivery of an Internal Audit Service contributes to Council transformation.

5.4 Risk Management

The Internal Audit function is an integral part of internal control

The major risks to the provision of the service to Craven include:-

- Insufficient resources and capacity – for example due to long-term sickness or vacant posts arising. If the situation arises, it will be addressed by the Internal Audit Shared Service Partnership Board, reporting to the respective Audit Committee of the two Councils if necessary.
- The need for a major investigation which will mean that some planned work will have to be deferred or an increase in the days provided at an additional cost to Craven.

5.5 **Equality Impact Assessment**

The Council's Equality Impact Assessment Procedure has been followed. An Equality Impact Assessment has not been completed on the proposals as completion of Stage 1- Initial Screening of the Procedure identified that the proposed policy, strategy, procedure or function does not have the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

6. **Consultations with Others**

Corporate Leadership Team
Strategic manager – Financial Services (s151 Officer)

7. **Access to Information : Background Documents**

None

8. **Author of the Report**

Alison Johnson, Interim Audit Services Manager, Craven District Council and Harrogate Borough Council Shared Internal Audit Service

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions. (Telephone 01423 500600 or email Alison.Johnson@harrogate.gov.uk).

9. **Appendices**

Appendix A – Draft Internal Audit Plan 2019/20.

APPENDIX A

2019/20 DRAFT INTERNAL AUDIT PLAN

AUDIT	DAYS	COMMENTS
Treasury Management	10	An audit of a fundamental system on a 3 year rolling programme. To give assurance on the adequacy and effectiveness of internal controls.
Belle View Square service charges	10	An open book review of the managing agents of Belle Vue Square. To provide assurance that the service charges incurred by the authority are genuine and are in accordance with the lease.
Financial Management System	12	To give assurance on the adequacy and effectiveness of internal controls.
Compliance with the apprenticeship scheme	15	To give assurance that the Council is compliant with the rules of the scheme and that the benefits of the scheme are being maximised.
Engine Shed Lane – Workshop	15	To give assurance on the adequacy and effectiveness of the internal controls and compliance with relevant legislation and policies.
GIS addressing system, Gazetteer	12	An audit to provide assurance on the quality of data and the compliance with Government guidelines
GDPR		A health check to ensure that the systems put in place to meet

	10	compliance with the new GDPR legislation are continuing to work effectively.
Policy Management	15	A 3 year rolling programme. To provide assurance that the council has policies in place where required and that they are effective and up to date.
Councillor choice	10	10 day audit as specified by councillors.
Contingency	50	A pool of days that can be drawn down during the year.
Duplicate payments work	1	To identify any duplicate payments made quarterly and annually. To report back any findings to the finance section so they can make steps to recover monies.
Follow up of previous audit recommendations	5	Follow up of all outstanding audit recommendations
Management time/Committee Meetings etc.	15	Includes preparation and monitoring of the Audit Plan, review of audit files and reports plus attendance at meetings.
TOTAL	180	

AUDIT	DAYS	COMMENTS
Contingency	20	Made available within the Shared Audit Services Plan for CDC to use to cover any unexpected or ad hoc pieces of work. To be charged for separately.
TOTAL	20	



**Audit Services Report
Property Valuations
Report ref: C8/2018**

Report Issued Draft: 25th February 2019
 Final: 25th February 2019

Significant Level of
Assurance

Contents

1	Background	3
2	Audit Scope	3
3	Audit Opinion	4
4	Detailed Findings & Action Plan	4

Distribution:

Name	Job Title
Paul Shevlin	Chief Executive
Nicola Chick	Chief Finance Officer (s151 officer)
Darren Maycock	CIO and Assets and Commercial Services Manager
John Trennor	Commercial Surveyor

1 Background

- 1.1 This Audit was included in the audit plan to provide assurance to management that valuations are occurring in line with regulations and that this work is undertaken on a timely basis.

The council has a portfolio of properties that it holds for a variety of reasons, some are operational to the needs of the authority such as leisure centres and civic buildings, and some are commercial and generate an income for the authority such as car parks, shops and offices. The council also holds an amount of agricultural land and assets.

These properties are valued on a cyclical basis by the commercial Surveyor and this information feeds into the annual accounts for the authority.

- 1.2 It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

- 1.3 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2 Audit Scope

- 2.1
- To review the process for undertaking property valuations at CDC and ensure that it is in line with relevant legislation.
 - Review a sample of recent valuations for accuracy and completeness.

3 Audit Opinion

3.1 A summary of Internal Audit's opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

3.2 This audit has been awarded a Significant Level of Assurance. Based on the testing carried out, Audit Services are satisfied that 2 out of 2 control objectives were met

3.3 Work in this area is very concise and methodical. Reports are clear and the methodology for valuations is set out. Valuations are undertaken in line with global professional standards, and the surveyor is Royal Institution of Chartered Surveyors accredited.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of management, therefore KCO's with adequate controls based on the samples examined are not included. Recommendations are prioritised as follows:

Priority 1 – These relate to significant gaps in the Internal Control Framework

Priority 2 – These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 – These relate to minor issues of non-compliance with controls

Ref	Findings	Recommendation	Risk	Management Response	Officer responsible and implementation date
	To review the process for undertaking property valuations at CDC and ensure this is in line with relevant legislation.				
	No Recommendations made				
	To review a sample of recent valuations for accuracy and completeness				
	No Recommendations made				

Any queries or requests for further information regarding this report should be directed to Audit Services. Audit Services would like to thank the officers involved for their assistance during this audit.



Audit Services Report Housing Benefit Report ref: C7/2018

Report Issued Draft: 5th February 2019
 Final: 5th February 2019

Significant Level of
Assurance

Contents

1	Background	3
2	Audit Scope	4
3	Audit Opinion	5
4	Detailed Findings & Action Plan	6

Distribution:

Name	Position
Paul Shevlin	Chief Executive
Nicola Chick	Chief Finance Officer (s151 officer)
Deborah Davies	Revenues and Benefits Manager

1 Background

- 1.1 It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.
- 1.2 We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.
- 1.3 Housing Benefits is audited on a cyclical basis. The Benefits service was last audited in 2015 and this review was awarded a significant level of assurance.
- 1.4 There has not been any significant change to the day to day procedures since the last audit. However the amount of new Housing Benefit claims the service process has greatly reduced due to the implementation of Universal Credit.
- 1.5 The application and award of Housing Benefit is administered in accordance with Welfare rules and regulations.
- 1.6 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2 Audit Scope

2.1 The audit considered the risks and controls in place to ensure that benefit payments were made only to valid benefit claimants, backlogs are kept to a minimum and that the level of overpayments is as low as possible.

- To review a sample of new claims to ensure that key system controls are operating as expected
- To review a sample of change of circumstances to ensure that the key systems controls are operating as expected
- To review a payment run to see if expected controls are operating effectively
- To review the access to the system to ensure that access is controlled effectively
- To review the process for making an appeal
- To review the process for making a write off from the system

3 Audit Opinion

3.1 A summary of Internal Audit's opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

3.2 This audit has been awarded a Significant Level of Assurance. Based on the testing carried out, Audit Services are satisfied that 6 out of 6 control objectives were met.

3.3 We found the controls in place to be operating effectively and the control environment continues to work well for the authority. The number of new claims has significantly decreased for the authority since the last audit was undertaken this was due to the roll out of universal credit.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of management; therefore KCO's with adequate controls based on the samples examined are not included.

Recommendations are prioritised as follows:

Priority 1 – These relate to significant gaps in the Internal Control Framework

Priority 2 – These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 – These relate to minor issues of non-compliance with controls

Ref	Findings	Recommendation	Risk	Management Response	Officer responsible and implementation date
To review the process for making an appeal					
1 (MK Ref 231)	During the course of the audit testing it was identified that the CDC Housing Benefit Procedures file where the Appeal process is documented would benefit from being brought up to date.	Priority 3 The Housing benefits procedures documents be brought up to date and be periodically updated going forwards.	An ineffective appeal process could lead to reputational damage to the authority and cause unnecessary delays for claimants.	Fully agree and we have already started work on this. It will be a rolling program and unlikely ever to be complete	Revenues and Benefits Manager 31 st March 2019

Any queries or requests for further information regarding this report should be directed to Audit Services on 01423 500600 ext. 58588. Audit Services would like to thank the officers involved for their assistance during this audit.



**Audit Services Report
Creditors
Report ref: C11/2018**

Report Issued Draft: 15/03/2019
 Final: 18/03/2019

Significant Level of
Assurance

Contents

1	Background	3
2	Audit Scope	4
3	Audit Opinion	5
4	Detailed Findings & Action Plan	6

Distribution:

Name	Position
Paul Shevlin	Chief Executive
Nicola Chick	Chief Finance Officer (Section 151 Officer)
Rob Atkins	Exchequer and Performance Manager

1 Background

- 1.1 This audit has been undertaken as part of the internal audit annual plan 2018/19 to provide assurance that the creditors system is operating efficiently and has a robust set of controls sufficient for the large value of transactions processed through the system.

The creditors system processed 14377 payments totalling £11,923,874 in 2017/18 and the number for 2018/19 at the point of fieldwork stood at 11761 with a total of £10,986,388.

The creditors system was last audited in 2015/16 and was given a good level of assurance with 2 priority one recommendations being made.

This audit has considered those recommendations and the opinion is that they have been addressed as required

- 1.2 It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

- 1.3 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2 Audit Scope

2.1 Audit Objectives

The obtaining, examination and evaluation of information surrounding the function, in order to give an independent opinion on whether the internal control procedures identified are operating effectively.

Key Controls

- Payments are accurate
- Payments are appropriately authorised and there is adequate segregation of duties
- Creditor account management is robust

Scope of Audit Work

Discussions with management and the review of information surrounding the payment of invoices in the period 2017/18 and 2018/19 to date.

3 Audit Opinion

3.1 A summary of Internal Audit's opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

3.2 This audit has been awarded a Significant Level of Assurance. Based on the testing carried out, Audit Services are satisfied that 2 out of 3 control objectives were met. 1 out of the 3 was partially met. Further details can be found in section 4 of this report.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of management, therefore KCO's with adequate controls based on the samples examined are not included.

Recommendations are prioritised as follows:

Priority 1 – These relate to significant gaps in the Internal Control Framework

Priority 2 – These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 – These relate to minor issues of non-compliance with controls

Ref	Findings	Recommendation	Risk	Management Response	Officer responsible and implementation date
Creditor account management					
Payments are accurate					
277	<p>6110 payments have been paid in 2018/19 at the time of testing. 74% (4504) of these were paid within 30 days.</p> <p>68% (4185) were paid within the supplier's terms.</p> <p>64.1% (3917) were paid on time.</p> <p>4.4% (268) were paid by BACS and therefore on time.</p> <p>31.5% (1925) were paid late. The main point of delay was found to be between the invoice being received in the Finance office and the invoice being registered on the financial system. The reduced amount of orders being used as reported in KCO3 could be a contributing factor.</p>	<p>Priority 2</p> <p>Undertake process improvement work to determine whether there are avoidable delays in the process of coding and registering an invoice.</p>	<p>Payments are not paid on time</p>	<p>Agreed</p> <p>Between June 2018 and November 2018 an error in completing invoice processing by inexperienced staff led to a large number of invoices remaining unpaid for long periods. Additional training has taken place and support made available to ensure that the correct process is followed. We expect to see an improvement in the timeliness of invoice processing from December 2018 onwards.</p>	<p>Exchequer and Performance Manager</p> <p>13/09/2019</p>
Payments are appropriately authorised and there is adequate segregation of duties					
278	<p>Testing found that out of 6473 payments registered in 2018/19 to date of testing</p>	<p>Priority 2</p> <p>Promote the use of</p>	<p>Unauthorised payments could be made</p>	<p>Agreed</p> <p>The Accounts Payable team</p>	<p>Exchequer and Performance Manager</p>

Ref	Findings	Recommendation	Risk	Management Response	Officer responsible and implementation date
	<p>52% of these were paid without a purchase order where one would be expected.</p> <p>16% were paid with a purchase order and 32% were considered to fall into the exempt category.</p>	<p>purchase orders to service area to increase the number of orders used.</p>		<p>have promoted the use of purchase orders with specific new guidance issued to all managers, an article appearing in the next staff newsletter and additional training and support made available to colleagues outside of the finance team.</p>	<p>13/09/2019</p>

Any queries or requests for further information regarding this report should be directed to Audit Services on 01423 500600 (ext.) 58584. Audit Services would like to thank the officers involved for their assistance during this audit.



**Audit Services Report
Debtors
Report ref: C6/2018**

Report Issued Draft: 21/01/2019
 Final: 12/03/2019

Good Level of Assurance

Contents

1	Background	3
2	Audit Scope	3
3	Audit Opinion	4
4	Detailed Findings & Action Plan	5

Distribution:

Position
Chief Executive (Final Only)
Chief Finance Officer, (Section 151 Officer)
Director Of Services
CIO & Assets and Commercial Services
Accountancy Services Manager
Performance Management Officer (Final Only)

1 Background

- 1.1 This audit was undertaken as part of the Craven District Council annual audit plan for 2018/2019. Sundry debtors was last audited in 2014/2015 (report reference C5/3); the system was given a 'Good' level of assurance, and 5 recommendations were made.

In the period September 2017 to August 2018 :

- Debtor invoices raised totalled £4.3m (+£552k (15%) from September 2016 to August 2017) largely due to an increase in garage rents, property rents and an increase in disabled facilities grant claim to NYCC.
- Credit notes/cancelled invoices raised totalled £527k, (+£141k (+37%) from September 2016 to August 2017) largely due to manual input error when raising invoices on the web.
- Invoices written off totalled £12k (-£1.5k (-11%) from September 2016 to August 2017).

The Key Control Objectives (KCO's) are as follows:

- KCO1 Debtor invoices are correct and appropriate, raised in a timely manner and are fully documented.
- KCO2 Debt is monitored and prompt recovery action taken.
- KCO3 Regular reconciliations take place between debtors income received and the Agresso general ledger.
- KCO4 Adequate controls have been established to protect information and data from unauthorised access.
- KCO5 The Council has adequate processes in place to detect fraud and corruption relating to sundry debtors.

- 1.2 It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

2 Audit Scope

- 2.1 The scope of the audit involved the review of key controls by undertaking compliance testing on randomly selected transactions for the period September 2017 to August 2018. 2 debt types were looked at in depth – property rents (RE) and hire of public rooms (PB) to ensure efficient debtors processes were undertaken. The testing strategy also included documentation review in addition to discussion with staff.

Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3 Audit Opinion

3.1 A summary of Internal Audit's opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

3.2 Based on the report's findings, Audit Services have given a Good Level of Assurance, moving towards a Significant level of Assurance on the Internal Control Framework within the function in line with the new Public Sector Internal Audit Standards

3.3 The finance section have good controls in place for the raising of debtors invoices, monitoring of outstanding debt, reporting and recovery of outstanding debt, the reconciliation of debtors income to the general ledger, system user access controls, and the processing of debtor refunds. Since the last debtors audit in 2014/15 a decision has been taken by Craven DC not to implement the legal debt recovery module. Responsibility for referring debt to legal is the relevant services with finance prompting them and providing background papers.

3.4 A Significant Level of Assurance could not be given at this stage due to the number of credit notes/cancelled invoices raised, the absence of a review of the sundry debt recovery strategy and the reliance on finance, by services, relating to debt recovery, as referred to above.

3.5 Further recommendations relate to minor efficiency savings which didn't affect the overall level of assurance of the audit.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of management; therefore KCO's with adequate controls based on the samples examined are not included.

Recommendations are prioritised as follows:

Priority 1 – These relate to significant gaps in the Internal Control Framework

Priority 2 – These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 – These relate to minor issues of non-compliance with controls

Ref	Findings	Recommendation	Risk	Management Response	Officer responsible and implementation date
Debtor transactions are accurate and appropriate, raised in a timely manner and are fully documented					
1 (MK 213)	The total value of credit notes/cancelled invoices raised were £527k (424 in number) within the testing period. This represented 12% of the value of invoices raised. (8% of number of invoices raised).	Priority 2 Finance should undertake periodic monitoring to establish reasons why credit notes and cancelled invoices are required and appropriate action should be taken.	The Risk of Financial loss caused by raising debtor invoices inaccurately.	The Majority of the Credit Notes will be because of the way the current trade Waste system amends contracts – cancelling the remaining debt and re-billing. Processes will be implemented to ensure valid and justified reasons are ascertained – so common themes as to reasons can be resolved to remove instances occurring again.	Accountancy Services Manager, 30 th Sept 2019
2 (MK 215)	A number of invoices have been raised, cancelled & re-raised on same day due to - Invoice totalled doubled (mainly water sampling). Water sampling errors are due to invoices being raised on agresso web and the performance of agresso. Duplicate invoices raised (trade waste). Small occasion	Priority 2 Performance speed of agresso could be revisited especially for agile workers. Better checks should be undertaken when files are prepared for interface with	The Risk of Financial loss caused by raising debtor invoices inaccurately.	The Agresso system and server are monitored on a monthly basis to ensure optimal performance.	No further action required.

Ref	Findings	Recommendation	Risk	Management Response	Officer responsible and implementation date
	<p>when duplicate file processed. Trade waste invoices are generated from imported files uploaded to agresso. Termination of Trade Waste Contracts results in the need for credit notes to be raised. The new software system will reduce the number of credits as billing will be taken in arrears of service provided.</p>	<p>agresso</p>		<p>The Wifi and Network points have been recently upgrade at BVS, the Crematorium and Craven Leisure Centre. It is assumed this will improve connectivity and increase performance of the systems.</p> <p>As the current Waste mgt system is being replaced – it is not yet known how the new system will deal with terminations.</p>	
<p>3 (MK 212)</p>	<p>The number of invoices raised with a value below £30 was 346 debtor invoices (16 debt types). Appropriate and legitimate reasons for raising these invoices were found, with the exception of 12 invoices, 8 dog waste bags, 3 parking permit amendments/cancellation fee, 1 child ticket (debt type EP, PP and CL respectively). Other than the child ticket, these services can be paid for in advance via online services or contacting customer services, the child ticket could be paid at time of admission. The raising of a debtor invoice for these services is not efficient and may result in an overall loss to the Council once staff and administration costs are taken into consideration.</p>	<p>Priority 3</p> <p>Payments for dog waste bags, parking permit amendments/cancellations and tickets should be taken in advance to the service provided and no debtor invoice will be raised.</p>	<p>The Risk of Financial loss caused by raising debtor invoices inaccurately.</p>	<p>Other options are being explored for low value invoices and the use of online payments is encouraged wherever possible.</p>	<p>Accountancy Services Manager, 31st July 2019</p>
<p>4 (MK 214)</p>	<p><u>Room Hire</u> Invoices are currently raised the month following the hire period, of the invoices raised 42% required further reminder action to be undertaken before payment was</p>	<p>Priority 3</p> <p>A revision to the terms and</p>	<p>The Risk of Financial loss caused by raising</p>	<p>The responsibility for this is within the Service. The Terms</p>	<p>CIO & Assets and Commercial</p>

Ref	Findings	Recommendation	Risk	Management Response	Officer responsible and implementation date
	<p>received, with a number of invoices still outstanding. An inconsistency was found between payment terms quoted in the terms and conditions of hire (2 weeks following invoice) to Craven DC invoice payment terms (3 weeks following invoice).</p> <p><u>Rental Land/Property</u> DD claims showed errors on 3 months test data: Corrections made by finance prior to claim submitted. Amendments were made the following month for missed claims.</p> <p>Customers paid by cheque and then DD claim submitted, refunds were undertaken for those affected. DD is not the only payment method offered to tenants who are required to pay monthly. A number of tenants are set up for manual payment. This increases the risk of tenants falling into arrears. Additional resource is required to process and reconcile payments.</p> <p>Property have revised processes for shared ownership annual rent reviews, which will standardise the review date. Work is still under-way to standardise other aspects of the shared ownership invoicing process. Currently insurance charges are made in arrears and no charge has been made for an annual service charge during the full term of the shared ownership (2 financial years).</p>	<p>conditions of hire should be introduced requiring payment to be made in advance of event occurrence. For large monetary value events a deposit should be taken at time of booking and remaining balance paid prior to event. Alinements of payment terms should be made to ensure consistent approach.</p> <p>Priority 3 Payment options should be limited to direct debit for tenants paying rental invoices monthly.</p>	<p>debtor invoices inaccurately or too long after services provided</p>	<p>and Conditions should be reviewed and updated to ensure consistency and to safeguard the income for the Council.</p>	<p>Services 30th Sept 2019</p>
Debt is monitored and prompt recovery action taken					
5 (MK 216 & 217)	<p>No sundry debt policy available. This has been outstanding through previous 2 debtors' audits for Craven DC in 2012/13 and 2014/15. Responsible Officer left the authority in September 2018. No progression is anticipated prior to December 2018.</p>	<p>Priority 1 Services should ensure they respond to finance within 7 days of receipt of outstanding debt email showing the</p>	<p>Failure to monitor debts and take prompt recovery action could result in financial loss to the authority</p>	<p>The monitoring of debts is performed each month, with an updated list of</p>	

Ref	Findings	Recommendation	Risk	Management Response	Officer responsible and implementation date
	<p>Finance run an outstanding debtors report, as part of month end procedures, this is then emailed to appropriate service officers together with detailed information about each debt. Little or no feedback is received from services relating to action taken to recover these debts. Craven DC is reliant on the current finance officer (debtors). Task of debt recovery is then undertaken by finance officer (debtors). The current finance officer (debtors) has reduced their working hours which leaves a potential void in arrangements. Of the sample outstanding debt (excluding those with payment plans or paying via DD) all reminder letters issued 3 weeks after invoice raised, 2nd remainder letter issued 2 weeks following this. Any outstanding 2017 invoices progressed to legal services for further recovery action or court. Current arrangements don't require recovery performance to be reported at performance clinics but this is under constant review and would be reinstated if appropriate.</p>	<p>action that has been taken to recover debt.</p> <p>Priority 2</p> <p>A sundry debt policy should be introduced</p>		<p>outstanding monies issued to Service Managers.</p> <p>The need for a Sundry Debt Policy is recognised and will be resolved to ensure there is a consistent and clearly defined approach to the recovery of the Council's Sundry Debts.</p>	<p>Accountancy Services Manager, 30th Sept 2019</p>
<p>Regular reconciliation take place between the debtors system and the general ledger on Agresso to ensure that both are correctly updated</p>					
<p>The Council has adequate processes in place to:</p> <ol style="list-style-type: none"> 1. Detect fraud and corruption relating to sundry debtors 2. Adequate controls to prevent unauthorised data 					

Any queries or requests for further information regarding this report should be directed to Audit Services on 01423 500600 (ext) 58573. Audit Services would like to thank the officers involved for their assistance during this audit.



Audit Services Report

Council Tax & Non Domestic Rates 2017/18 Report ref: C10/17

Report

Draft: 5/3/2019

Final: 22/03/19



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Distribution:

Job Title
Chief Executive
Revenues and Benefits Manager
Chief Finance Officer (Section 151)

1 Background

- 1.1 This audit has been undertaken as part of the annual audit plan for 2017/18. The previous audit report, reference C5/12 undertaken in 2014/15, rated the level of assurance on the function's internal control framework as good.
- 1.2 Audit Services identified the following key control objectives as part of this audit:
 - KCO1 : The function is operated in accordance with up to date documented procedures
 - KCO2 : New and amended properties are identified promptly
 - KCO3 : Billing transactions are correctly calculated.
 - KCO4 : Demand notices are issued by mid-March each year
 - KCO5 : There is correct and prompt processing of claims for discount, exemption or relief
 - KCO6 : Non payers and missed payments are followed up promptly
- 1.3 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.4 The percentage of council tax collected as a percentage of the council tax due for 2017/18 was 98.42%; the corresponding figure for business rates being 99.10%. Craven was the lead area for all local authority districts in Yorkshire and Humberside in respect of these collection statistics.

2 Audit Scope

- 2.1 The scope of the audit involved the review of the key controls by undertaking compliance testing as well as documentation review and discussion with staff.

3 Audit Opinion

3.1 A summary of Audit Services' opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls are required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

- 3.2 Based on this report's findings, Audit Services have given a Significant Level of Assurance on the Internal Control Framework within the function in line with the Public Sector Internal Audit Standards.
- 3.3 With reference to the key controls being reviewed, all are being met. One priority 2 recommendation has been under KCO5 as detailed in section 4 below.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of Management; therefore KCO's with adequate controls are not included.

Recommendations are prioritised as follows:

Priority 1 - These relate to significant gaps in the Internal Control Framework

Priority 2 - These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 - These relate to minor issues of non-compliance with controls.

Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
KCO5: There is correct and prompt processing of claims for discount, exemption or relief				
1	<p>Anniversary dates are recorded on accounts indicating when review of domestic and commercial discounts and exemptions is expected.</p> <p>However, there is no specific cyclical review schedule in place at present.</p> <p>It is understood that this has been assigned to the new team leader to address upon commencement in March.</p>	<p>Circumstances of liable persons may have changed since application of which the Authority has not been notified potentially affecting cash flow</p>	<p>R1: Priority 2</p> <p>The proposed review program of discounts and exemptions should be established.</p> <p>Management Comment: Agreed.</p> <p>Will be assigned to the new team leader (starts mid-March)</p>	<p>Revenues & Benefits Manager</p> <p>22/09/19</p>



Audit Services Report

Health & Safety Arrangements 2018/19 Report ref: C1/2018

Report

Draft: 07/03/19

Final: 22/03/19



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Scope	page 3
Audit Opinion	page 3
Detailed Findings & Action Plan	page 4 onwards

Distribution:

Job Title
Chief Executive
HR Manager
Health & Safety Consultant

1 Background

- 1.1 This audit is being undertaken as part of the annual audit plan for 2018/19.
- 1.2 Audit Services identified the following key control objective as part of this audit:
 - KCO1 : Health & Safety roles and responsibilities are set out
 - KCO2 : There are up to date documented policies and procedures in place for health and safety that are consistently applied
 - KCO3 : The Council complies with health and safety legislation and good practice guidelines
 - KCO4 : Health & Safety training is provided
 - KCO5 : There is a method in place for recording, investigating and reporting accidents
 - KCO6 : A process is in place for the identification of health and safety risks
 - KCO7 : A process is in place for senior management to receive assurance that health and safety risks are being managed
- 1.3 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.4 During the 2018/19 period under audit review, a resource from another local authority had been providing a Health & Safety service under a shared service agreement. An action plan of required activities for Health & Safety had been produced by this officer, noting implementation dates spanning the period to December 2019. This audit however has focused on the adequacy of current controls in place at the present time. A successor to this shared service provider, an external consultant, commenced at the time that the audit was taking place, after the role being unoccupied for a short period. This consultant has previous Council experience in this role as well as a Health & Safety Executive background.
- 1.5 A web based health and safety management system, Safety Cloud, was introduced during 2018/19, and is available to all staff. This allows, amongst other features, online recording of accidents and actions arising, the storage of risk assessments in one location, as well as a log of all staff health and safety training.
- 1.6 The Council's strategy for health and safety is set out in the Health & Safety Management and Governance Strategy & Delivery Plan, covering 2018 – 2021.
- 1.7 The main piece of legislation covering the function is the Health and Safety at Work etc Act 1974. Associated guidance is available via the Health & Safety Executive (HSE) ie Managing for Health & Safety (HSG65). The current Health & Safety Policy, available on the Council's intranet, makes clear that all employees will be held accountable for achieving health and safety objectives within the sphere of their control.

2 Audit Scope

- 2.1 The scope of the audit involved the review of the key controls by undertaking compliance testing as well as documentation review and discussion with staff.
- 2.2 Display of the Council's current employer's liability insurance certificate and the Health & Safety law poster has been verified at Belle Vue Square. The Council should satisfy itself that these are being appropriately displayed at outlying sites.

3 Audit Opinion

- 3.1 A summary of Audit Services' opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

- 3.2 Based on this report's findings, Audit Services have given a Partial Level of Assurance on the Internal Control Framework within the function in line with the new Public Sector Internal Audit Standards
- 3.3 Good practice was evident from the production of a health and safety action plan which the Auditor has been informed is being updated and revised to more precisely reflect the Health & Safety Strategy and incorporate more detailed delivery dates. Regular meetings are held of the Health & Safety group; health & safety issues being escalated and raised at meetings of the Senior Leadership Team.
- 3.4 Health and safety risk, although included on the operational risk register, was not included on the corporate risk register; a recommendation for which has already been made in the Risk Management audit report, C9/2017, that is being followed up as part of that audit, although reference to it is included here for information. Closer monitoring of outstanding actions arising from incidents and risk assessments is required as is documentation review to ensure its currency.
- 3.5 With reference to the key controls being reviewed, all are being partly met; the key risks for which are set out in the main body of the report. 18 recommendations have been made in total; 16 graded at priority 2 and 2 graded at priority 3.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of Management, therefore KCO's with adequate controls are not included.

Recommendations are prioritised as follows:

Priority 1 - These relate to significant gaps in the Internal Control Framework

Priority 2 - These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 - These relate to minor issues of non-compliance with controls.

Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
KCO1 : Health & Safety roles and responsibilities are set out				
1	<p>Roles and responsibilities of the various parts of the Council are described in the current Health & Safety Policy publicised on the intranet. A breakdown of operational responsibilities for three specific areas of the Council is also set out in an intranet document named Responsibilities for Health & Safety Management.</p> <p>However, these were dated 2011 and 2008 respectively, with no evidence of review since.</p>	<p>Confusion amongst staff as to responsibilities, potentially leading to non-compliance with Health & Safety legislation, laws or organisational policy and procedure</p>	<p>R1:Priority 2 All documentation referencing health & safety roles and responsibilities should be reviewed and updated as necessary; review and update being recorded using version history control Management Comment: Agreed. Health & safety documentation on the network is available dated 2014 but it is accepted that this requires review and publication</p>	<p>HR Manager 22/09/19</p>

Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
KCO2 : There are up to date documented policies and procedures in place for health and safety that are consistently applied				
2	The Health & Safety Policy states that the Policy itself will be updated as necessary to reflect legislative changes and will be fully reviewed every 3 years. However, the Policy was last revised in 2011 and there is no evidence of review since.	Lack of awareness of current health & safety arrangements potentially leading to non-compliance with Health & Safety legislation, laws or organisational policy and procedure	R2:Priority 2 The Health & Safety Policy should be fully reviewed and updated as necessary; review and update being recorded using version history control. Management Comment: Agreed. As per previous comment.	HR Manager 22/09/19
3	Comprehensive procedure notes were evidenced. However, these were dated 2014, with no evidence of review since. In particular, these had not been updated to reflect the way in which the new Safety Cloud system affects processes.	As above	R3:Priority 2 Procedure notes should be reviewed and updated as necessary; review and update being recorded using version history control Management Comment: Agreed. It is accepted that this requires review and publication	HR Manager 22/09/19
4	The Health & Safety Policy states that detailed procedures, as produced, will be held on the Health & Safety section of the intranet. However, the extent of intranet available procedures was limited, with expected documents being held in restricted network folders.	As above	R4:Priority 2 Procedure notes, once updated, should be made available on the intranet. Management Comment: Agreed. Update will also be made on Safety Cloud	HR Manager 22/09/19

Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
KCO3: The Council complies with health and safety legislation and good practice guidelines				
5	The procedure notes for the Control of Substances Hazardous to Health (COSHH) state that COSHH assessments should be separately retained. However, COSHH assessments within Waste Management had been included as part of general risk assessments.	Hazardous substances are not easily identifiable	R5:Priority 2 COSHH assessments should be separately retained Management Comment: Agreed. There are some COSHH assessments but accept that there is not a full suite.	HR Manager 22/09/19
6	COSHH assessments, dated 2009, were observed relating to those substances used at the Pool. Guidance from the Health & Safety Executive (HSE) indicates no definitive timeframe within which COSHH assessment review should take place; being dependent on the risk type, the work, and the employer's judgement on the likelihood of changes occurring. However, there was no evidence of review having taken place since 2009.	Failure to adequately protect staff/customers	R6:Priority 2 The necessity for review of existing older Pool COSHH assessments should be determined and carried out where necessary Management Comment: Agreed There are 2014 assessments but accept these will need review	HR Manager 22/09/19
7	A timetable was evidenced for the testing of portable appliances at sites Council wide. However, an anomaly was identified relating to the future dates for Belle Vue Square given the testing frequency and historic testing dates stated. Additionally, evidence of testing expected at outlying sites during January 2019 could not be found, indicating that this is now overdue	Potential unsafe use of appliances	R7:Priority 2 The due date for testing of portable appliances at Belle Vue Square should be clarified. Management Comment: Agreed	CIO & Assets and Commercial Services Manager 22/09/19
			R8:Priority 2 Testing of portable appliances at outlying sites should be arranged. Management Comment: Agreed	CIO & Assets and Commercial Services Manager 22/09/19

Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
KCO4 : Health & Safety training is provided				
8	The Health & Safety Policy states that, where necessary, trained first aid staff will be provided and a record maintained of training. The HSE also suggests annual refresher training. Training records of first aiders were evident. However, certificate expiry date records appeared incomplete and refresher training dates absent.	Skills potentially not maintained	<p>R9:Priority 2 Absent expiry dates of all first aid certificates should be included on records. Management Comment: Agreed In progress</p> <p>R10:Priority 2 First aid annual refresher training should be considered. Management Comment: Agreed</p>	<p>HR Manager 22/09/19</p> <p>HR Manager 22/09/19</p>
9	Physical movement of staff within Belle Vue Square has taken place during 2018/19 which has necessitated review of first aiders to determine adequate provision within each office, although review has not yet been finalised.	Inadequate resource provision	<p>R11:Priority 2 Determination of first aiders should be progressed following the physical movement of staff within Belle Vue Square Management Comment: Agreed</p>	CIO & Assets and Commercial Services Manager 22/09/19
10	The Health & Safety Policy states that first aiders are listed on the intranet. However, no list was evident.	Lack of awareness amongst staff of emergency contacts	<p>R12:Priority 2 First aiders should be listed on the intranet Management Comment: Agreed</p>	CIO & Assets and Commercial Services Manager 22/09/19

Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
11	Training on the Safety Cloud system is outstanding for certain staff.	Lack of awareness of proper system use potentially resulting in errors.	R13:Priority 2 Delivery of Safety Cloud training should be progressed Management Comment: Agreed. A review of how Safety Cloud is being used is being carried out and then relaunched	HR Manager 22/09/19
KCO5 : There is a method in place for recording, investigating and reporting accidents				
12	The Safety Cloud system allows for automatic email notification to Management of any recorded incident updates. However, these were observed as being directed to all levels of Management regardless of incident severity.	Process inefficiencies	R14:Priority 3 The Safety Cloud system should be reviewed to determine the possibility of automatic incident update emails being directed to appropriate Managers according to severity Management Comment: Agreed	HR Manager 22/09/19
13	Notifications to Insurance, within the Finance team, of incidents which could potentially lead to a claim have historically been made via email from the particular Manager. However, with the introduction of the Safety Cloud system, an opportunity to improve efficiency and create a direct link has not as yet been explored.	Process inefficiencies	R15:Priority 3 The Safety Cloud system should be examined to determine the possibility of amending processes to establish direct links to Insurance within the Finance team so as to inform of potential claims Management Comment: Agreed. This will require a manual process rather than automatic	HR Manager 22/09/19

Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
KCO6 : A process is in place for the identification of health and safety risks				
14	Review of risk assessments on the Safety Cloud system found risk assessment scoring to be absent.	Incomplete records	R16:Priority 2 The Safety Cloud system should be examined to determine how risk assessment scoring can be displayed. Management Comment: Agreed. The system does not allow for risk scoring although scored risk assessments can be uploaded.	HR Manager 22/09/19
15	From general audit review of risk assessments, the following was noted: * There was no evidence of review of the Pool risk assessments since 2014. * Asbestos risk assessments under the Assets & Car Parking area of Safety Cloud were over due by 2 months * Actions raised relating to a sample of risk assessments from Waste Management and Leisure Services on Safety Cloud had not been completed in 79% of cases; the oldest outstanding being 8 months. * Legionella assessments for those areas other than at the Pool, although lower risk, were confirmed as being overdue	Failure to adequately protect staff/customers	R17:Priority 2 Outstanding reviews and actions relating to risk assessment should be progressed. Management Comment: Agreed This will be addressed via the review of Safety Cloud use and training which is being progressed.	HR Manager 22/09/19

Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
KCO7 : A process is in place for senior management to receive assurance that health and safety risks are being managed				
16	In line with good practice, the Health & Safety Policy states that health & safety performance will be reviewed annually and reported to the Council. However, although a Strategy & Delivery Plan has been produced covering 2018 – 2021, accounting for longer term priorities, and risk register actions are addressed via the quarterly performance reporting and monitoring process, an annual health & safety report covering past performance, summarising incidents and outlining impending priorities was found not to have been produced since 2016.	Lack of awareness of key assurance information	R18:Priority 2 An annual statement of health & safety, including past performance, incident summary, any issues and outlining priorities for the upcoming year, should be re-introduced for reporting to the Council. Management Comment: Agreed This will depend on successful implementation of Safety Cloud	HR Manager 31/03/20

The agreed actions will be subject to a follow up review to establish whether they have been implemented.

Any queries or requests for further information regarding this report should be directed to Audit Services on 01423 500600 extension 58586.

Audit Services would like to thank the officers involved for their assistance during this audit.



Audit Services Report

Peer Review of Recommendations 2018/19 **Report ref: C3/2018**

Report

Final: 22/03/19



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Audit Opinion	page 3

Distribution:

Job Title
Chief Executive

1 Background

- 1.1 This audit is being undertaken as part of the annual audit plan for 2018/19.
- 1.2 Audit Services identified the following key control objective as part of this audit:
KCO1 : The Council is on course to achieve the recommendations arising from the peer review and, where any recommendations are overdue, a subsequent action plan has been produced.
- 1.3 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.4 There is an expectation that all Councils will have a Corporate Peer Challenge every 4 to 5 years. The Peer Review team visited the Council between the 18th and the 20th September 2017; previously visiting in 2012. Their subsequent report was categorised under the following 5 areas, which they believe are areas critical to a council's performance and improvement.
 - 1) Understanding local place and priority setting
 - 2) Leadership of Place
 - 3) Financial Planning and Viability
 - 4) Organisational Leadership and Governance
 - 5) Capacity to Deliver
- 1.5 Listed below is a summary of their recommendations. There is also an expectation that the Council will commit to a lighter follow up visit within two years after the peer challenge, which aims to assist in assessing the impact of the challenge and demonstrating progress made.
 - 1) Establish a new narrative around the council
 - 2) Don't let financial concerns become a heavy anchor that slows you down, stifles creativity and prevents you acting on opportunities.
 - 3) Ensure that there is clear understanding of the impact of the current governance arrangements on commercial activity in future
 - 4) Review the work you are doing and identify quick wins and priority projects with maximum impact.
 - 5) Consider expanding strategic capacity to ensure that strategic partnerships and discussions (regional and sub-regional) are not compromised by capacity.
 - 6) Establish a Corporate Programme Office to lead on the Income and Savings Plan.
 - 7) Improve operational capacity by streamlining the governance of projects, setting clear project priorities, and re-aligning resources more directly to council priorities.
 - 8) Consider the development of a corporate strategy setting out a clear vision beyond 2020 and the necessary approach to achieve this ambition.

2 Audit Scope

2.1 The scope of the audit involved the review of the key controls by undertaking documentation review and discussion with staff.

3 Audit Opinion

3.1 A summary of Audit Services' opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

3.2 Based on this report's findings, Audit Services have given a Significant Level of Assurance on the Internal Control Framework within the function in line with the new Public Sector Internal Audit Standards

3.3 A prompt response to the review was evident and actions required resulting from the recommendations were determined, lead officers assigned and timescales established. Projects around the key themes of Housing , Connectivity, Green Issues, Quality of Life and Maximising Employment Opportunities will address the recommendations and in so doing make Craven a place of choice for residents, employers and visitors. Inclusivity was evident from staff being provided with the opportunity to put forward their thoughts on the future vision of Craven following staff briefings.

3.4 The vision beyond 2020 is continuing to be developed and not fully complete as yet, however, the Council Plan for 2019/20 does, nevertheless, contain projects that will extend beyond 2020 and require preparation during 2019/20

3.5 With reference to the key control being reviewed, this is consequently regarded as being met and no recommendations are considered necessary.

Any queries or requests for further information regarding this report should be directed to Audit Services on 01423 500600 extension 58586. Audit Services would like to thank the officers involved for their assistance during this audit.



Audit Services Report

Use of Social Media 2018/19 Report ref: C2/2018

Report

Draft: 21/03/19

Final: 22/03/19



Contents

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Detailed Findings & Action Plan	page 5

Distribution

Job Title
Chief Executive
Communications, Customer Services and Partnerships Manager

1 Background

- 1.1 This audit is being undertaken as part of the annual audit plan for 2018/19.
- 1.2 Audit Services identified the following key control objective as part of this audit:
KCO1 : Compliance with expected strategic, tactical, operational and technical controls to mitigate social media risks according to published frameworks including that of the Institute of Internal Auditors (IIA).
- 1.3 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.4 Platforms such as Facebook, Twitter, YouTube, Instagram and LinkedIn have created online communities where people can share as much or as little personal information as they want with other members. Any website that invites individuals to interact with the site and with other visitors falls into the definition of social media. The use of social media has grown substantially over the years and it is important that organisations define their approach to its use, monitoring and interaction, to ensure that the benefits of social media are not undermined by the threats to it. There are various risks associated with social media that have been documented, examples of which are listed below.

Reputational risks:

- * Customers who follow an employee on both their personal and business feeds may not differentiate between the two; an inappropriate comment on their personal feed adversely affecting the organisation
- * Posting of confidential information
- * "Brand hi-jacking" – when the organisation's logo is used by an unauthorised source
- * Ineffective response to a concern raised via social media

Business risks:

- * Unrealistic expectations for responding to and/or working with customers
- * Lack of effectively identifying and responding to complaints via social media; unhappy customers may have placed damaging content on the organisation's social channels, or single interest groups could use social media to commandeer the organisation's social forums and use them to protest against the organisation
- * No control over social media accounts created
- * Loss of productivity / downtime from excessive use of non-business related social media

Legal risks:

- * Non-compliance with record management regulations due to electronic communications mismanagement
- * Disclosure of personal, sensitive or protected information including images
- * Posting of libellous comments
- * Non-compliance with industry regulations eg advertising
- * Unclear or undefined content rights to information posted to social media

Information security risks:

* Introduction of malware to the corporate network from placing this in social media messaging; users may click on something in a social media stream without considering it to be a cyber risk

* Security breaches from hackers attempting to break into the organisation's systems via social media as well as social media accounts being hijacked;

- there being insufficient privacy settings in place

- there being less powerful security filters in social media messaging systems such as Facebook Messenger or Twitter's Direct Message than in the organisation's own email system, meaning scams that would be detected and be quarantined in email may get through via social media

* Criminal groups could use the organisation's streams to identify individuals to target with phishing scams; there may also be insufficient privacy settings on the personal social media accounts of key individuals within the organisation eg LinkedIn, Facebook, Twitter.

- 1.5 At present, Twitter and Facebook are the main social media platforms used corporately by the Council and operated by the Communications, Customer Services & Partnerships Manager and the Communications Officer, together with a small number of Customer Services staff who have been granted access to answer particular customer queries. Additionally, there are social media accounts for the Town Hall and Leisure Centre as well as for Skipton Triathlon, Le Petit Depart and Great Place – Lakes & Dales; access having been granted to only those staff whose job roles require it. The total number of staff with access is 21.

2 Audit Scope

- 2.1 The scope of the audit involved the review of the key control by undertaking compliance testing as well as documentation review and discussion with staff.

3 Audit Opinion

3.1 A summary of Audit Services' opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

- 3.2 Based on this report's findings, Audit Services have given a Significant Level of Assurance on the Internal Control Framework within the function in line with the new Public Sector Internal Audit Standards
- 3.3 Good control is evident from the locking down of social media by ICT and the granting of access only where a job role requires it. Keeping the operating system up to date and patching of applications also assists in managing the technical risks presented by using social media.
- 3.4 There is no prior check of content posted, however, software acquisition to address associated risk has been considered and given that this is low, the decision has been made to accept this risk
- 3.5 With reference to the key control being reviewed, this is being met; the one key risk for which is set out in the main body of the report. One recommendation has been made, graded at priority 2.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of Management, therefore KCO's with adequate controls are not included.

Recommendations are prioritised as follows:

Priority 1 - These relate to significant gaps in the Internal Control Framework

Priority 2 - These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 - These relate to minor issues of non-compliance with controls.

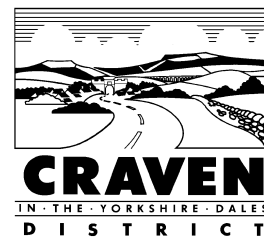
Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
KCO1 : Compliance with expected strategic, tactical, operational and technical controls to mitigate social media risks according to published frameworks including that of the Institute of Internal Auditors (IIA).				
1	Conditions relevant to the use of Social Media are contained within the ICT Acceptable Use Policy as well as a Social Media Policy found within the PR Protocol of the Communication and Consultation Strategy. However, the latter is not on the intranet and content not therefore accessible.	Staff unclear as to proper procedure potentially risking damage to the Council's reputation	R1:Priority 2 There should be appropriate awareness raising of the PR Protocol containing the Social Media Policy Management Comment: Agreed This has now been placed on the intranet and will be publicised in the next Core Brief	Communications, Customer Services & Partnerships Manager 22/09/19

The agreed actions will be subject to a follow up review to establish whether they have been implemented.

Any queries or requests for further information regarding this report should be directed to Audit Services on 01423 500600 extension 58586.

Audit Services would like to thank the officers involved for their assistance during this audit.

Audit & Governance Committee – 2 April 2019



Internal Audit – Implementation of Recommendations

Report of the Chief Finance Officer

Ward(s) affected: All

- 1 **Purpose of Report** – To update committee members on Priority 1 internal audit recommendations outstanding, all those completed in the period and provide a summary of the numbers of recommendations that have not yet been cleared.
- 2 **Recommendations** – Members are recommended to:
 - 2.1 Note the contents of Appendix A – Outstanding Priority One Internal Audit Recommendations and consider inviting responsible officers to the next meeting where appropriate.
 - 2.2 Note the contents of Appendix B – Audit Recommendations Completed in the Period and approve the contents of that Appendix. Recommendations will not be archived before this approval is received together with that of the Shared Audit Service.
 - 2.3 Note the contents of Appendix C – Summary of Outstanding Audit Recommendations.
- 3 **Implications**
 - 3.1 **Financial and Value for Money (vfm) Implications** – as highlighted for individual recommendations in Internal Audit Reports
 - 3.2 **Legal Implications** – none
 - 3.3 **Contribution to Council Priorities** – not applicable
 - 3.4 **Risk Management** – as highlighted for individual recommendations in Internal Audit Reports
 - 3.5 **Equality Analysis** – not applicable
- 4 **Consultations with Others**
Senior Managers/Action Owners
- 5 **Access to Information: Background Documents**
None
- 6 **Author of the Report**
Rebecca Steel, Performance Management Officer
Telephone: 01756 706215
e-mail: rsteel@cravenc.gov.uk

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.
- 8 **Appendices** –
Appendix A – Outstanding Priority 1 Internal Audit Recommendations
Appendix B – Audit Recommendations Completed in the Period
Appendix C – Summary of Outstanding Audit Recommendations

AGENDA ITEM 9

Appendix A – Outstanding Priority 1 Internal Audit Recommendations

Priority 1 Recommendations relate to significant gaps in the Internal Control Framework. Recommendations are included where the original completion date was prior to January 2019.

Source Report	Recommendation Name	Original Target Date	Service Area	Status	Latest Update	Updated by	Date
C6 08 - Physical Security of ICT Equipment and Data - Priority 1	IA 18/19 263 The security and condition of the Engine Shed Lane archive store should be assessed in terms of its adequacy for data storage and appropriate action taken	C6 08 - Mar 2016	ICT	Amber	The local authority that showed an interest in converting the Council's archives into a digital format was not, in the event, able to satisfy the Council's stringent requirements. Therefore an open tender exercise was undertaken which expired in December, and which generated a substantial amount of interest and several tenders were received. Following an evaluation exercise which was conducted in early January, a successful bidder was identified, and following due diligence checks, the contract has been awarded on 28 January 2019. The project remains on track for completion in March 2019, which will mean that all archived information stored in the Council's archives (including Engine Shed Lane) will be removed by the end of the financial year, thus addressing the concerns of auditors.	DRN	28/01/19
C7 08 - National Fraud Initiative (NFI) - Priority 1	IA 18/19 319 A report on NFI results should be presented to CLT and the Audit Committee, including progress on data match reviews	C7 08 - Oct 2017	Financial Management	Amber	The number of outstanding matches is included in the performance reports that are presented to the quarterly Value for Money Clinics. Update narratives are also provided for those NFI match areas with a significant number of outstanding items. A summary report has been drafted and is due to be sent to CLT in May to raise the profile of the NFI exercise and demonstrate its significance to the Council. An updated version will then be submitted to the June Audit & Governance Committee. Both reports will include updates narratives, the number of matches still outstanding and the costs associated with having to undertake the mandatory exercises imposed by the NFI. Reporting has been delayed whilst training has taken place.	JH	19/03/19

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C7 04 - Licensing 2016/17 - Priority 1	IA 18/19 323 Files should be reviewed and any personal and / or sensitive information removed from any historic files no longer required	C7 04 - Jul 2017	Licensing	Amber		Hard copies are now forming part of the scanning project. The requirement to weed documents is being reviewed. A decision will be taken early in the new financial year to determine next steps and devise a project timetable.	TC	19/03/18
C8 09 - Money Laundering - Priority 1	IA 18/19 347 The draft Money Laundering Policy should be finalised and approved as soon as possible. This should then be promoted to all employees and Members.	C8 09 - Jun 2018	Financial Management	Green		Formal notification to Staff and Members issued in January Core Brief informing of the location of the policy with a link and responsibilities. A copy of the policy is on the Council Website and the Intranet	NC	16/01/19
C8 09 - Money Laundering - Priority 1	IA 18/19 348 The MLRO should ensure that as far as practicable managers and officers within relevant Services are aware of their responsibilities in respect of due diligence checks for customers where the receipt of income is greater than €15,000. In addition officers will also be made aware of their responsibilities to report any suspicious activity greater than £1,000 for payments received by cash, debit card or credit card.	C8 09 - Sep 2018	Financial Management	Amber		Instructions will be circulated to key staff following the notification via core brief of the location of the policy for staff on the Intranet and Website.	NC	16/01/19
C18 03 - Risk Management - Priority 1	IA 18/19 390 Risk Management training for managers and Members of Audit & Governance must be provided at the earliest opportunity	C18 03 - Mar 2019	Financial Management	Amber		Risk management training taken place for Managers in July 2018. Training for members arranged for June 2019.	NC	18/03/19
C18 03 - Risk Management - Priority 1	IA 18/19 391 The Council's Strategic Priorities should be aligned with the Strategic Risks and reflected on the Corporate Risk Register to demonstrate that the movement towards achieving those Priorities is being closely monitored	C18 03 - Dec 2018	Financial Management	Amber		The review of the Service Risk Registers commenced in January and will include risks associated with the Council's Strategic Priorities as appropriate. This has formed part of the training undertaken by Managers in July. The deadline for completion is February	NC	24/01/19
C18 03 - Risk Management - Priority 1	IA 18/19 392 Health and Safety is a Corporate risk and should therefore always be included on the Corporate Risk Register, irrespective of the controls in place	C18 03 - Dec 2018	Financial Management	Amber		Health and Safety will be reviewed as part of the risk register review which is currently ongoing- and is scheduled for completion in February 2019.	NC	24/01/19

AGENDA ITEM 9

C18 03 - Risk Management - Priority 1	IA 18/19 393 The Risk Registers should be reviewed in their entirety on a regular basis to ensure that implementation dates remain realistic or that adequate plans are in place to prevent an increase in the risk environment should the date be difficult to achieve	C18 03 - Dec 2018	Financial Management	Amber		Review of risk registers is underway and scheduled for completion February 2019	NC	24/01/19
C18 03 - Risk Management - Priority 1	IA 18/19 394 Management should ensure that all risks resulting in a fatality are appropriately scored to reflect impact and likelihood on a 5 x 5 matrix	C18 03 - Dec 2018	Financial Management	Amber		The risk register will be reviewed by CLT at its February meeting. The risk management working group will also review the risk scores at their next meeting which will be held in March. Any risks resulting in fatality will be scrutinised as will the score.	NC	18/03/19
C18 04 - Asset Rentals and Letting Income - Priority 1	IA 18/19 398 There should be a thorough review of the departmental structure by management	C18 04 - Jun 2018	Property Services	Amber		Change of Management has resulted in a delay in the structure review, revised date March 2019 based on detailed assessment of working practices and workload. Publication due end of March.	DM	19/03/19
C18 04 - Asset Rentals and Letting Income - Priority 1	IA 18/19 402 Whilst the tenancy agreement may state that it is the tenant's responsibility to ensure these checks are undertaken, it would be considered as best practice for the council to obtain all relevant copies of the respective safety certificates to evidence compliance	C18 04 - Jun 2018	Property Services	Amber		Change of Management has resulted in a delay in implementing these arrangements, revised date October 2019. Work scheduled.	DM	26/10/18
C18 04 - Asset Rentals and Letting Income - Priority 1	IA 18/19 405 A strategy document should be produced that states how the sites will be best used to maximise income	C18 04 - Jun 2018	Property Services	Green		Change of Management resulted in a delay in the creation of this strategy. Report is now with CLT. Project completed.	DM	19/03/19

AGENDA ITEM 9

Appendix B – Audit Recommendations Completed in the Period

Source Report	Recommendation Name	Service Area	Status	Latest Update	Updated by	Date
C8 09 - Money Laundering - Priority 1	IA 18/19 347 The draft Money Laundering Policy should be finalised and approved as soon as possible. This should then be promoted to all employees and Members.	Financial Management	Green	Formal notification to Staff and Members issued in January Core Brief informing of the location of the policy with a link and responsibilities. A copy of the policy is on the Council Website and the Intranet	NC	16/01/19
C18 04 - Asset Rentals and Letting Income - Priority 1	IA 18/19 405 A strategy document should be produced that states how the sites will be best used to maximise income	Property Services	Green	Change of Management resulted in a delay in the creation of this strategy. Report is now with CLT. Project completed.	DM	19/03/19
C18 04 - Asset Rentals and Letting Income - Priority 2	IA 18/19 406 The Asset Management sheet should provide a “golden thread” that links all assets to the actual income budget providing greater assurance to management that all invoices have been raised	Property Services	Green	Assets now uploaded to IDOX Asset Management Module owned by Property. Completed.	DM	19/03/19
C18 03 - Risk Management - Priority 2	IA 18/19 397 All Managers should follow the best practice demonstrated by others within the Council in order that all risks are fully documented, with associated controls	Financial Management	Green	Training took place for managers in July to ensure consistency across the council in risk assessments. The request for review of risks has included guidance notes and templates to ensure consistency.	NC	24/01/19
C18 04 - Asset Rentals and Letting Income - Priority 2	IA 18/19 401 Best practice suggests that Property should maintain the Asset Management Spreadsheet to include all valuation values including dates this work has been undertaken	Property Services	Green	Process now in place on IDOX Asset Management Module owned by Property. Assets being actively updated on new system. Complete.	DM	19/03/19

AGENDA ITEM 9

Appendix C – Summary of Outstanding Audit Recommendations

	Priority 1	Priority 2	Priority 3	Total
B/F 1/4/18	8	44	11	63
<u>Add</u> Reports at 26th June A & G Committee				
G4S		2	1	3
Car Park Income		3		3
Risk Management Arrangements	6	2		8
Asset Rentals and Letting Income	4	5		9
	18	56	12	86
<u>Add</u> Report at 30th October A & G Committee				
Software Asset Management		3		3
	18	59	12	89
<u>Add</u> Report at 29th January A & G Committee				
Transparency Agenda	0	0	3	3
	18	59	15	92
<u>Less</u> Archiving approved at 26th June A & G Committee	2	20	5	27
	16	39	10	65
<u>Less</u> Archiving approved at 30th October A & G Committee	3	26	3	32
	13	13	7	33
<u>Less</u> Not yet due at 1st January 2019	1	5	3	9
Outstanding Recommendations	12	8	4	24

	AGENDA ITEM 9
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By Service Area

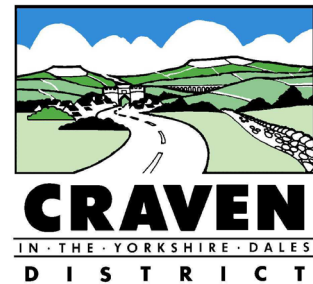
Financial Management	7	3	3	13
Revenues and Benefits			1	1
ICT	1			1
Parking Services		1		1
Property Services	3	1		4
Licensing	1	2		3
Planning & Building Control		1		1
	12	8	4	24

By year originally due to be implemented

2014/15			1	1
2015/16	1			1
2016/17		1		1
2017/18	2	4	2	8
2018/19	9	3	1	13
	12	8	4	24

Audit & Governance Committee – 2 April 2019

Risk Register Review 2019 – Draft Risk Register



Report of the Chief Finance Officer (s151 Officer)

Ward(s) affected: All

1. Purpose of Report

- 1.1 To present Audit and Governance Committee with the with a draft version of the Council's updated Corporate risk register.

2. Recommendations

Members are recommended to:

- 2.1 Note the draft risk register and progress to date.
- 2.2 Agree that a Member and Officer Session is convened to enable Members of the Committee to work with CLT and SLT to create an appropriate risk appetite for the Council.

3. Risk Management

- 3.1 The Council's risk management approach is for risk to be owned and managed by managers in service areas. CLT input to corporate risks and overview the procedures thus enabling Audit & Governance Committee to have the assurance for this element of their corporate governance and risk management arrangements.
- 3.2 Officers within the Financial Services Unit provide the conduit for capturing the risk management data and coordinate the monitoring responses for reporting to members.
- 3.3 The Corporate Risk Register is the result of an annual strategic risk management exercise conducted to identify, analyse and prioritise those risks that may affect the ability of the council to achieve its corporate and strategic objectives. These risks will be a combination of high scoring operational risks (which by their nature will be strategic risks) and strategic risks derived from the priorities within the Council Plan.

- 3.4 The key risks facing the council were identified through discussion with CLT, SLT, Service Managers and other senior staff. The draft risk register is then scrutinised by the Risk Management Group for reasonableness and this review is scheduled to take place on 27 March 2019. The Corporate Risk Register outlines the key strategic risks facing the council, the controls currently in place to respond to these risks and any further action required by the council to properly manage these risks if appropriate.
- 3.5 As a contribution to good corporate governance, risk management also forms a part of the annual business planning process – each departmental business plan has a specific service risk register to identify the key risks facing that service. This reinforces the corporate risk management approach through each Service Manager giving proper formal consideration to corporate and operational risks. Specific key projects will also have project risk registers to as part of the management of those projects. These risk registers are reported to Audit and Governance Committee for overview and monitoring at the appropriate time.
- 3.6 There are inevitably wider risks deriving from the external environment, the Council’s leadership role throughout the district and through collaborations with partners that cannot be addressed alone, but we try to impact in a positive manner through our strategic responses, persuasion and awareness. Such risks can manifest from opportunities and challenges including:
- Public service reform and the reduction of dependency;
 - Demographic change including an aging population;
 - Economic growth and business development;
 - Fiscal constraint;
 - Strategic partnerships, through North Yorkshire, and Leeds City Region;
 - National and international threats such as cyber attacks and terrorism;
 - The impact of Brexit on the rural economy and growth.
- 3.7 The CRR is a key element of the Council’s current corporate governance, risk assurance framework. This includes a number of elements including budget monitoring, performance reporting, the annual governance statement and Internal Audit annual opinion. The framework is reviewed on a regular basis.
- 3.8 The drivers of risk management today tend to be:
- Shrinking budgets
 - Reduced staffing
 - New regulations
 - Increased demand for services
 - Increasing expectations
 - Zero tolerance of non-performance / waste / fraud.
- 3.9 The approach to risk management has changed in recent years with the focus

more on strategic risks that will prevent an organisation from achieving its goals. In other words' the risk register needs to be aligned with the Council Plan priorities and not just day to day service delivery. It is important to note that not all risks associated with Council Plan Priorities will be captured onto the risk register at this stage as some priorities will require the project to be worked up before the risks can be appropriately identified as part of the overall project plan. To ensure that the Council has the appropriate skills to identify these risks CLT, SLT and Service Managers received refresher risk management training in the summer 2018 in readiness for the risk register reviews. Training for Members is scheduled for June 2019.

- 3.10 The next stage once training has taken place is for the Council to develop its risk appetite for each risk or group of risks. This cannot be done in isolation and needs to be agreed between Members and Officers for each of the priorities in the Council Plan, a copy of which is attached at Appendix B.

4. Risk Management Strategy

- 4.1 The Current Risk Management Strategy document was approved at the meeting of Audit & Governance Committee on 9 November 2015. During 2019/20 the strategy will be reviewed to ensure that it remains fit for purpose.

5. Risk Management Monitoring and Reporting Process

- 5.1 The process of monitoring and reporting against identified risks was reviewed and updated, to ensure that Audit and Governance Committee are able to more effectively focus on the implementation of agreed actions to mitigate against identified risks, within the Corporate Risk Register. This process has worked well in the past and it is not intended that this will change.

- 5.2 The following takes place as set out in the Risk Management Strategy:

Risk Profile Risks

- annual review of the Council's risk profile which will reported to the Council's Corporate Leadership Team (CLT) in detail and in summary format to the Audit and Governance Committee;
- integration of any actions to be taken related to risk profile risks into service plans at Service Manager discretion for implementation and monitoring as part of the Council's quarterly performance monitoring arrangements and reporting to Corporate Leadership Team level.

Risk Register Risks

- annual review of the total risk register to be reported to CLT, and the corporate risk register to Audit and Governance Committee in detail for overview;
- quarterly review of the risk register to be reported to CLT, and Audit and Governance Committee detailing any changes for approval;
- specific action plans developed for risk register actions and incorporated into service plans for progress monitoring by Service Managers;

- quarterly reporting on progress of actions to CLT, and Audit and Governance as part of the Council’s Quarterly performance monitoring arrangements set out in the Council’s Corporate Performance Monitoring Framework.

5.3 Risks included within the corporate risk register are categorised as either strategic risks or operational service risks.

6. Risk Profile Review

6.1 The Council’s Risk Profile features strategic risks currently identified across the Council and is subject to an annual review. When new risks are identified they are included within the Risk Register. It is intended that if appropriate specific risks registers are developed for the projects derived from the Council Plan. These risk registers will then be reported separately to Audit & Governance as part of the overall delivery of those time bound projects.

6.2 Identified risks as well as being allocated a score are further classified as low (green), medium (amber) or high (red). As shown in the table 1 below.

Table 1: Risk score RAG Status

5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5

6.3 The risk register is a ‘living’ document and as such risks will move on and off it as well as change score.

7. Risk Register Review

7.1 The Corporate Risk Register includes all strategic risks plus operational risks scoring over the Council’s Risk Appetite of 10 (based on a 5x5 risk matrix). Those strategic risks scoring below 10 are managed at service level and reviewed by Managers and SLT and are only reported to Audit and Governance Committee for noting and completeness.

7.2 Action plans have been developed for all risks on the risk register scoring 10 or more. Audit and Governance Committee receive a specific progress report against intended actions on a quarterly basis as detailed in the Risk Management Strategy.

Risks moving on/off Corporate Risk Register

- 7.3 Service risks that through mitigating actions will move off the corporate risk register as will Strategic Risks once a project is completed. These movements are reported to Audit and Governance Committee as part of the quarterly reporting updates. Conversely any new strategic or corporate risks identified will be added to the register and reported as part of the quarterly monitoring.

8. Implications

8.1 Financial and Value for Money Implications

There are no financial implications associated with this report.

8.2 Legal implications

None arising directly from this report.

8.3 Contribution to Council Priorities

Risk Management contributes to all our Corporate Priorities by identifying hazards and ensuring adequate controls are in place to help ensure corporate priorities are achieved.

8.4 Risk Management

This report set out the Council's Risk Register

8.5 Equality Impact Assessment

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • isolation.

9 Consultation with Others

CLT, SLT (Risk Management Group), Service Managers,

10. Access to Information : Background Documents

Risk Profile

Operational Risk Register

11. Author of the Report

Nicola Chick, Chief Finance Officer, (s151 officer)

Tel No 01756 706418; Email: NChick@cravenc.gov.uk

12. Appendices

Appendix A – Corporate Risk Register

Appendix B – Council Plan 2019/20

Risk No	Service	CAUSE: Hazards What are the causes? (IF)	EVENT: Potential Risks and Consequences- What Might Happen? (THEN)	EFFECT: (RESULTING IN)	Raw Score as identified in CRAM	Risk Control Measures Currently in place	Risk Likelihood 1-5 where 1 is low	Risk Impact 1-5 where 1 is low	Total Score - Taking account of current control measures	Target Score	Do Risk Control Measures currently in place reduce the Risk sufficiently? Yes / No	If No - Actions required to achieve target score with dates	Resource Requirement	Planned implementation date	Officer responsible
	Emergency Planning	If a civil or business emergency occurs that requires co-ordination from Craven DC - e.g severe weather	Lack of Business Continuity Planning. Major service disruption:e.g. physical loss of IT capability, virus / hacker - loss / theft data. Loss / damage to council property e.g. fire. Major failure in service provision (fire at refuse depot). Adverse PR etc. Loss of reputation. Failure to meet duties imposed by Civil Contingencies Act	1) Poor emergency planning. 2) Inadequate staff training. 3) Poor security / prevention. 4) Poor IT procedures. 5) Poor systems. 6) Inadequate fire protection. 7) Lack of disaster recovery and business continuity planning.	20	1) BC and emergency planning services provided by NYCC. 2) Revised and updated Business Continuity Plan prepared - annual reviews required as part of SLT agenda. 3) IT security procedures/backup arrangements in place. 4) Virtualisation of ICT servers completed providing greater resilience. 5) IT disaster recovery site currently operational at Selby DC. 6) Member of NY Local Resilience Forum, SLA in place with NYCC. 7) Community Risk Register produced. 8) Community resilience planning will be included and incorporated into Council plan. 9) BC training taken place for senior management - will require updating	3	4	12	9	No - see additional measures	1) Detailed emergency planning training at appropriate levels for relevant staff Gold training for CLT taken place & annual refreshers available. 2) Emergency planning training with CLT & SLT undertaken and annual exercises take place. 3) Review all business impact analysis and incident management plans. Not progressed yet. 4) Refresh of business continuity plans as appropriate.Rolling programme to be implemented. 5) Testing of business continuity plans required. Not progressed.	Staff time for refresher training	Ongoing rolling annual programme	Director of Services
CRR 2	Environmental Services & Housing (Environmental Health)	Inadequately trained staff. Insufficient staff. Lack of policies & procedures.	Poor or non performance of a statutory service responsibility.	Residents and the general public might be placed at risk leading to potential injury ill health or death.	20	Qualification criteria set for all posts Post entry training of staff. Written procedures. Quality Management systems in place. Provision of technical reference material. Regular staff training .	1	5	5	5	Yes	N/A	Adequate Staffing	Ongoing	Environmental Services & Housing Manager
CRR 3	Environmental Services & Housing (Environmental Health)	Staff shortages and inadequate training of staff.	Unable to meet our statutory obligations for Food Safety and Healthy & Safety Inspections.	Residents and the general public might be placed at risk leading to potential injury, ill health or death.	15	Flexible staff resource. NYCC would work with CDC in event of major health crisis. Food safety service plan which meets statutory obligations.	2	5	10	5	No	Increase the number of staff who are qualified to undertake food safety inspections. Increase Environmental Health budget provision to enable external contractor to undertake food inspections.	Financial requirement in base budget - circa £7,500	Ongoing	Environmental Services & Housing Manager

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CRR 4	Environmental Services & Housing (Environmental Health)	Failure to allocate sufficient resources to respond to major flooding incidents.	Failure leading to the possible loss of life and reputation.	Possible injury or loss of life and reputation.	15	Consultants engaged on ad hoc basis, Effective working with agencies / partners, Culvert inspection programme. Arrangements in place for storage and distribution of sandbags. Emergency alert system for flooding in place (via Environment Agency) Volunteer flood wardens in place. Presentations given to parish councils re flooding and what EH can do. Multi-agency produced flood plan, risk assessments and procedures in place. Internal briefing and procedures in place. on-going training and contract with NYCC to manage major incidents. Access to contacts and plans on Resilience Direct.	1	5	5	5	Yes	N/A	Staff time and suitable vehicles	Ongoing	Environmental Services & Housing Manager
CRR 5	Environmental Services & Housing (Environmental Health)	Man made or natural environmental incident e.g. Foot & Mouth, Flooding.	Capacity issues, poor training, inexperience in dealing with the incident.	Major property damage, possible loss of life, financial loss, loss of reputation.	15	Incident response scheme in place, Emergency planning exercises undertaken, Liaison with NYCC Emergency Planning Dept. Gold, Silver and Bronze Emergency Planning training undertaken by officers. Contract in place with NYCC.	2	5	10	10	Yes	N/A	Staff time and vehicles	Ongoing	Environmental Services & Housing Manager

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CRR 6	HR	Failure to address Health and Safety issues in CDC	Potentially leading to serious injury or a fatality	Corporate Manslaughter charges and or HSE involvement and or Inability to defend claims.	15	<p>1) Experienced Health and Safety adviser in place two days a week. 2) Health and Safety Policy & relevant procedures kept updated available. 3) Training for staff available as required. 4) Risk Assessments updated & regularly reviewed. 5) Health and Safety Management Group meet regularly. 6) Safety Reps Group - now merged with SMG. 7) Quarterly accident statistics. 8) Specific training. 9) Fire reps, first aiders - responsibility passed to Asset Management & HR respectively. 10) Report to CLT/Council on H&S performance. 11) Services responsible for completing relevant/regular Health check documents submitted to advisor indicating current position within each service. 12) Effective senior support maintained - 6 monthly 1 to 1 for H & S advisor with senior managers from higher risk areas. 13) Continued Improvement in risk assessment management process and ensuring completion of risk assessment updates at appropriate quality. 14) Improved monitoring of H&S performance, which is critical to demonstrate "reasonably practicability" should CDC need to demonstrate legal compliance in court.</p> <p>15) Continuous programme of training & training needs identified with appropriate staff being trained. 16) Training needs analysis. Further training for staff carried out each year as required. 17) Completion of annual H & S Management action plan. 18) Health and safety responsibilities integrated into service plans. 19) Electronic H & S system implemented in 2018/19.</p>	1	5	5	5	Yes				HR Manager

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CRR 7	HR	Lone working by staff across council.	Tripping or falling over. Assault, machinery injuries, animal injuries.	There is potential for undiscovered injury or an assault on staff being occasioned. Possible financial loss and sickness absence.	6	Appropriate staff issued with mobile phones. (coverage can be an issue). Signing in/out procedures in place for staff going out on site. Lone Working Policy in place. Violent & Challenging Behaviour Register. Risk assessments, officer training.	1	3	3	3	Yes	Personal Alarms are being trialled in various areas.		Ongoing	HR Manager
CRR 8	HR	Failure to ensure sufficient knowledgeable staff present to carry out duties of the Council or address capacity issues leading to increased workloads.	Sickness/absence of staff, high staff turnover or failure of the service or elements of the service unit.	Possible claims resulting in financial loss.	16	Succession planning is in place across the majority of areas to ensure that skills are retained and not lost. Regular monitoring of staff sickness and absence rates to ensure that suitable capacity is maintained.	2	4	8	6	No	Vacancies are currently being filled when staff members leave. Job descriptions to be reviewed in line with the current duties for the role prior to being advertised to ensure they are fit for purpose. Roles promoted to internal candidates to ensure progression is available. An action plan is in place to improve succession planning.			HR Manager
CRR 9	Comms / Customer Service and Partnerships	(1) Inadequate processes in place. (2) Lack of training. (3) Lack of buy in by employees & Members.	Failure to meet statutory responsibilities under Children Act 2004, Working Together to Safeguard Children (2013) and NY Child Safeguarding Board.	Possible legal action and loss of reputation.	8	(1) Child safeguarding protection policies revised to incorporate recent legislation. (2) Online training package available for all staff. (3) Training for staff now audited as part of annual appraisals.	2	2	4	4	Yes	Provide additional training for those with direct contact with children e.g.. pool, museum as on-going measure.	Staff time (Partnerships Officer)	By Sep 19	Partnerships & Communications Manager
CRR 10	Environmental Services & Housing (Waste Management)	Inadequately trained staff, Insufficient staff, poorly maintained vehicles, Lack of policies & procedures.	Injury/fatality to employees and /or third parties as a consequence of motor vehicle accident and/or manual handling accident, lack of policies and procedures.	Service disruption, potential reputational issues, claims and possible HSE investigation.	15	Driver CPC training undertaken, Driver aptitude assessment undertaken pre employment with Transport Manager, Adequate Supervision and Disciplinary Procedures used, Accident Reporting Procedures. Planned vehicle maintenance, Adequate insurances, Manual Handling and safe working practices monitoring, risk assessments, safe working practices, inspection of equipment, buildings and vehicles. Route risk assessments completed. Cameras fitted to fleet.	1	5	5	5	Yes	N/A	Staff and time	Ongoing	Environmental Services & Housing Manager

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CRR 11	Environmental Services & Housing (Waste Management)	Loose Litter Bins and Dog waste bins. Poorly maintained vehicles, equipment and tools. Inadequate training, poor access roads.	Damage to property, people and vehicles.	Property damage from refuse vehicles and/or bin collection, leading to injury/loss of life, excessive insurance claims and financial loss.	15	Inspection of Bins at emptying, Replacement and repair, Staff Training, Supervision, Adequate Insurances, Safe Working practices. Planned routes to identify hazards. Defensive driving training. Disciplinary procedures. Accidental damage investigations carried out by Operations Manager.	1	5	5	5	Yes		Staff and training	Ongoing	Environmental Services & Housing Manager
CRR 12	Environmental Services & Housing (Waste Management)	No planned maintenance programme for Council vehicles.	Vehicle breakdowns.	Loss of service, injury or death.	15	Parts suppliers in place, adequate mechanics in place including Apprentice, vehicle workshop fit for purpose, access to hire vehicles where necessary to deliver service.	1	5	5	5	Yes		Adequately trained staff and vehicle parts	Ongoing	Environmental Services & Housing Manager
CRR 13	Financial Services	Insurance: Under-insurance due to not having appropriate policies and adequate levels of cover in place. Poor risk management arrangements in order to mitigate against and defend claims arising. Non-response to insurers' risk improvement requirements.	Increase in insurance claims/failure of insurance cover leading.	Reputational damage and financial loss through non-payment of claims and increased premiums.	16	Council Health and Safety Policies; Inspection regime procedures for Council owned property, land, and motor vehicles; Implementation of insurer risk improvements where identified; Continuing support from insurance brokers to provide further advice and guidance and act in liaison role with Council insurers; Insurance asset inventories in place; Annual rolling programme of buildings valuation for insurance purposes.	2	4	8	4	No	Implement new, comprehensive regular programme of review of all inventories and registers. Provide risk assessment training to appropriate staff and introduce regular monitoring arrangements for risk assessments. Implement new Health & Safety policies and risk assessment to meet HSE and insurer requirements.	Budget for valuations and assessments where required. Time allocated from contracted Health & Safety advisor. Time allocated by Service Managers to contribute to Health & Safety development.		Exchequer & Performance Manager
CRR 14	Financial Services	Procurement: Insufficient Resources; lack of knowledge, and buy-in from Service Managers.	Failure to comply with public procurement regulations and the Council's Contract Procedure Rules.	Potential legal challenge, financial loss, audit criticism & failure to secure value for money in service delivery.	9	Service Level Agreement with Procure North Yorkshire (Scarborough Borough Council) to provide additional support as required; Member of Regional YorProcure Strategic Procurement Group; Contract Procedure Rules; Variety of supporting policies and processes including Contract Register, Procurement Forward Plan, Guidance Templates and documents; Regular meetings held between Procurement Officer and Service Managers.	3	3	9	6	No	Improved arrangement with Procure North Yorkshire (based at Scarborough BC) for additional specialist support; At least one junior Finance team member trained to provide administrative support for procurement; Procurement processes mapped and documented; Guides for managers produced; Regular contract performance management arrangements developed and implemented; Reporting on exemptions, exceptions and breaches improved.	Budget for increased support from Procure North Yorkshire.		Exchequer & Performance Manager

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CRR 15	Bereavement Services	Pot holes, sunken drainage, moss algae, tree roots. No Maintenance Plan. Tree rot.	Deteriorating state of repair of cemeteries (Open & Closed) and Crematorium - Slips, trips and falls Deteriorating footpaths. Collapse of boundary walls and falling trees.	Fatality, injury and property damage.	20	Major paths and roads now re tarmacked. (1 route pedestrianized to reduce wear and tear). Formal inspection programme in place (daily checks). In addition, informal daily checks undertaken. Lodge is now leased out . Tree survey for Waltonwrays undertaken with other sites scheduled to take place by CDC Tree Officer. Some tree removal taken place and others identified with some scheduled. Wall issues at Kildwick have been rectified and made safe. Visual inspections of all closed churchyard paths undertaken monthly.	2	5	10	5	No	1) Boundary walls require maintenance - capital funds approved, however, little progress made by Maintenance Services including retaining walls round sunken garden. 2) Ingleton boundary walls have been severely damaged due to storm and falling trees estimated cost for repair £30k. Property Services to provide solution. 3) Annual inspections need to be completed by Property Services.	As per capital funds approved plus further £30k to complete Ingleton wall works.	ongoing	Asset & Property Manager
CRR 16	Bereavement Services	Unstable memorial, poor fixing.	Memorial safety - Falling memorials.	Injury, death leading to insurance claims, loss of reputation and potential financial loss.	15	1) Procedures for checking memorials near to burials and making safe before burials take place in adjacent graves. 2) All new memorials to be fixed to NAMM standards. 3) New memorial registration scheme has been implemented with 10 year guarantee on all memorials. 4) 5 year rolling programme in place for continual testing , testing now being undertaken internally. 5) 2 members of staff qualified to undertake memorial safety testing. 6) All memorials over 2.5m tested by qualified memorial mason. 7) All memorials found to be unsafe are repaired by qualified memorial mason.	2	5	10	10	Yes		Staff time. Funding to continue remedial work to memorials.	Ongoing	Bereavement Services Manager
CRR 17	Craven Pool	Housekeeping & storage. Lack of personal protective equipment. Lack of knowledge. Access to unqualified staff plant installation. Gas leak causing boiler explosion.	Failure of pipeline causing chemical spillage or other equipment failure.	Explosion, injury or death.	15	Procedure notes. Staff trained on procedures. Relevant protective equipment available.	1	5	5	5	Yes but see additional measures	Ensure staff are regularly trained. Relocate some of equipment / stores, subject to future funding			Pool Manager

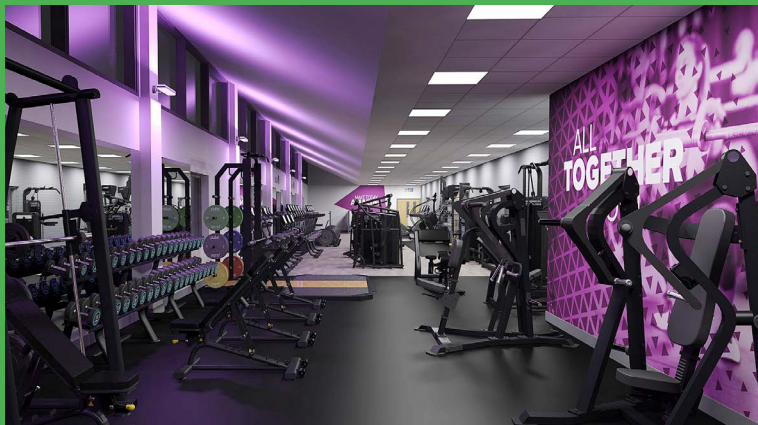
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CRR 18	Craven Pool	Faulty electrical equipment Water leakage	Injury/death from Electrocutation.	Possible claims, financial loss, loss of reputation.	10	PAT testing undertaken annually Building inspections Planned preventative maintenance and routine maintenance. Visual inspections by staff prior to use. Yearly fixed wiring tests Damaged electrical area - prevents use of damaged equipment	1	5	5	5	Yes		minimal costs		Pool Manager
CRR 19	Craven Pool	Impact incident causing unconsciousness. Unknown medical history. Heart attack. Non swimmer in difficulties. Swimmers accessing pool without lifeguard cover in place.	Death by drowning or secondary drowning.	Death by drowning or secondary drowning.	15	Procedures and emergency action plans (PSOP) - reviewed every 12 months to ensure current; Restricted diving policy; Qualified lifeguards; Control and behaviour measures; Structured programme which eliminates risk; Monitored compulsory staff training; Pool alarm; Lifeguards always poolside even when pool not in use; Secondary drowning protocol in place (advice); Defibrillator kit in place and NY ambulance service trained staff on use.	1	5	5	5	Yes				Pool Manager
CRR 20	Craven Pool	Slips, trips and falls; inadequate supervision; non swimmers in difficulty.	Fall from inflatables.	Impact injury/drowning poolside.	20	Additional lifeguards on duty in accordance with procedures for each pool. Inflatable tethered at min of 5 metres from edge. Risk assessment in place. Specific written procedures in place. Emergency action plan. Equipment inspected annually. Specific induction for lifeguards on safety measures for inflating and deflating inflatable. Under 8s must have adult supervision in the pool.	1	5	5	5	Yes				Pool Manager
CRR 21	Cultural Services	Due to poor service management or current social climate, tragedy occurs at service-related event, e.g. fatality/child abuse accusation	May result in criminal case brought against Council, and/or major media incident	Loss of reputation with public/partners, possible financial implications	10	Child protection policy in place. Service manager DBS checked. All events risk assessed. Liability insurance in place. Parents/teachers always present at events. Photo permissions sought at time of event.	1	5	5	5	No	Update event management policies for touring events and for new Town Hall building. Child protection training for appropriate staff.	Staff time & training	Touring Prog - by 30/4/19 New Build - by 30/4/20	Programming & Venue Development Manager
CRR 22	Planning	Shortage of specialist staff, full establishment not complete.	Delays in determination, risk of appeals for non-determination loss of reputation risk of becoming a designated authority.	Failure to meet performance targets.	9	Yes	2	2	4	1	Yes		Establishment to be staffed by mid Feb 19	Feb-19	Planning Manager (Development Management)

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CRR 23	Planning	Staff establishment reduced, recruitment difficulties. Long term staff sickness.	Performance below Government targets.	Risk of becoming a Designated Authority. Loss of income and control of development.	9	Yes	2	3	6	1	No	Implement improvements under the guidance of Planning Advisory Service. Retain Agency staff. Maternity cover required for 2 posts	Budget for agency staff	Feb-19	Planning Manager (Development Management)
CRR 24	Comms / Customer Service and Partnerships	(1) Inadequate processes in place. (2) Lack of training. (3) Lack of buy in by employees / members.	Failure to meet statutory Safeguarding Duties meaning vulnerable adults and children could be at risk.	If incident, possible prosecution and loss of reputation to the Council.	8	(1) Senior Manager Lead for Safeguarding identified and dedicated Officer time allocated. (2) Officer attends county wide safeguarding officers group and completes regularly audit of CDC processes in place. (3) Training delivered for both staff and members.	2	2	4	4	Yes				Partnerships & Communications Manager
CRR 25	Environmental Services & Housing (Waste Management)	Inadequate and timely risk assessments undertaken of Waste Management manual labour practices	Accidents in the work place resulting in long term sickness and unable to efficiently deliver a service. Reputational and Litigation Risk	Serious injury and possible death	20	Waste Operations Manager is NEBOSH qualified and is able to adequately undertake Risk Assessments. Corporate Safety Manager has Health & Safety competencies and has previously worked in the HSE. Regular staff training on correct working practices	3	5	15	10	Yes		Staffing	Ongoing	Environmental Services & Housing Manager
CRR 26	Financial Resilience	Resident expectations are not managed appropriately and therefore cannot be delivered following consultation.	It could lead to complaints to elected members, complaints to service departments. Adverse comments in the local press. Loss of reputation.	Staff diverted to deal with increased queries / complaints. Reduced public support for Council projects.	6	Council plan setting out the priorities and projects in the short medium and longer term. SMART targets and objectives worked up for each project.	2	2	4	4	Yes				CLT - Relevant lead project related. CFO co-ordinates risk
CRR 27	Financial Resilience	Failure to respond to Government consultation.	Craven DC misses an opportunity for involvement in pilot studies. Craven DC voice not heard. Council not seen as proactive	Missed opportunities, for innovative working or piloting new ideas. Potential for reduced funding	4	Lead Members lobby and network. Officers responding to consultation aware of member views. Officer networks ensure that awareness on consultations is high. Proactive measured decisions taken on whether or not to respond.	1	2	2	2	Yes				CLT - Relevant lead consultation topic related. CFO co-ordinates risk
CRR 28	Financial Resilience	Review of Long-term financial strategy not done on an annual basis.	Forecasts for Council budgets and funding not up to date with latest information. Members not aware of overview picture of Council Finances	Budget gap larger than forecast, leading to cuts in services rather than planned and managed savings or generation of additional income	6	Attendance by officers at regular external briefings. Refresh of strategy built into annual budget timetable - any delay managed. Strategy updated with impact of detailed budget	2	2	4	4	Yes				Chief Finance Officer

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CRR 29	Financial Resilience	Opportunity to influence or have input into issues that are outside the Councils control are missed.	The Council misses an opportunity to be involved with a project or influence it. The decision not to be involved has been made by default.	Missed opportunities, for innovative working or piloting new ideas. Potential for reduced funding	4	CLT aware of major consultation exercises and opportunities. Decisions to participate taken by CLT and or members depending on issue and levels of delegation. Lead of the Council and Lead Members involved in National and Regional Issues.	2	1	2	2	Yes				CLT - Relevant lead consultation topic related. CFO co-ordinates risk
CRR 30	Financial Resilience	The Council fails to deliver projects identified on the income and savings plan.	Alternative income or savings streams will be needed possibly with no lead in time. A moratorium on spending may have to be brought in.	The budget may not balance. Use of earmarked or GF reserve to balance the budget. Instant savings being required through cuts to services.	9	Income & savings plan projects responsibility of Service Manager with CLT overview and Lead member champion. Officers continually searching for new opportunities. Scoping of projects and delivery timeframes give realistic targets based on previous experiences	3	2	6	4	No	External influences not always evident at time of inception of project idea. Greater horizon scanning required of potential barriers.			CLT - Relevant service manager lead for project . CFO co-ordinates and monitors risk
CRR 31	Financial Resilience	Opportunities to acquire property assets missed	Council's income streams not increased and sustainability of the council may be compromised if alternative solutions are not found.	Long term viability of the Council continues at risk until alternative options are implemented.	9	Delegation to CLT and members up to an agreed limit. Members open to having emergency/additional policy committee meetings to approve proposals. Templates available for preparing financial models. Expert in-house staff especially in area of assets & values	3	2	6	6	yes				CLT / Assets & Property. Risk reviewed and updated by CFO and Director of Services
CRR 32	Financial Resilience	Threat of Fraud from 1) Cyber Crime. 2) Claims for Council Tax discounts. 4) Claims for Council Tax Support. 3) Money Laundering. 4) Falsification of information	Overpayments made. Wrong payments made. Discounts given when there is no entitlement.	Financial loss to the Council. Financial loss to other affected parties.	16	Council policies & procedures in place fraud and anti money laundering. Staff trained and aware. System of checks and reconciliations. Procedures in place for checking identity. National fraud initiative. Staff specifically trained. Regular bulletins and awareness reminders from IT re cyber crime. Preventative measures in place for spam attacks. Staff with good local knowledge.	2	3	6	6	Yes				Chief Finance Officer
CRR 33	Financial Resilience	The Joint Venture Company is unable to provide schemes to make best use of marginal land sites.	Planned regeneration and growth targets are missed	Loss of capital receipts or income	4	Sites are evaluated for options and business case built. Non viable sites disposed of	2	1	2	2	Yes				CLT / Joint Venture Board. Risk reviewed and updated by CFO and Director of Services



Craven District Council Council Plan 2019-20



A message from the Council Leader & Chief Executive

Craven had many successes to celebrate around the district in 2018-19.

Our achievements included providing new affordable, shared-ownership homes in Glusburn, Giggleswick and Sutton-in-Craven, improving Cross Hills town centre, installing a new playground at Aireville Park, refurbishing gym facilities at Craven Leisure, and upgrading vital equipment at Waltonwrays Crematorium. We have continued to provide high quality local services whilst meeting our challenging targets for savings and income.



Richard Foster
Council Leader



Paul Shevlin
Chief Executive

This plan describes the council's priorities for improving services during what promises to be another exciting year.

We have started the redevelopment of Skipton Town Hall to provide a performance space and museum facilities fit for the 21st Century. We are developing new employment sites, and striving to provide more affordable housing. Through our partnerships with other agencies we will encourage more young people and families to remain in and move to the area, address rural loneliness and isolation, and help to make the district dementia-friendly.

We will continue our commitment to improving the environment by installing electric vehicle charging points, delivering the Craven Cleaner Neighbourhoods strategy, tackling fly-tipping, dog fouling and littering, and running the Craven Green Apple Awards to celebrate local businesses who are doing their bit to help the environment. And we will continue to provide our wide range of day-to-day services that support those who live, work in and visit our district.

We have set a balanced budget of £6,735,044 million for 2019/20. This means that services delivered by Craven District Council will cost the average Craven taxpayer just £3.31 a week in 2019/20. We will deliver our services and the improvements described in this plan whilst continuing to meet the financial challenge created by further cuts in government funding. We hope you will support our Members and staff in their efforts to achieve good value and high quality services for Craven.



What your Council does for you

The Council provides a wide range of services and facilities throughout the Craven District. We provide all the below and more to our communities for just £3.31 a week per resident – based on average Band D Council Tax.

Business and Tourism

- Supporting the growth of new and existing businesses across Craven
- Providing car parks across the district
- Working with partners to increase the contribution of tourism to the local economy
- Running Tourist Information Centres in Skipton and Settle
- Supporting the delivery of local festivals and events across Craven
- Hosting the Green Apple Awards for environmentally-friendly businesses
- Liquor, entertainment and hackney carriage (taxi) licensing
- Food safety inspections of local restaurants and takeaways
- Working with partners to improve access to higher speed broadband



Community

- Working with local communities and supporting local voluntary and community groups such as the Friends of Aireville Park to deliver local plans and initiatives
- Hosting the Community Champions Awards Scheme
- Providing grants to local organisations and communities, including Ward Member Grants
- Working in partnership to reduce crime and anti-social behaviour
- Supporting the development of dementia friendly communities across Craven
- Providing planning and building control services and administering local land charges
- Working with partners to address rural loneliness and isolation
- Managing bereavement services at Waltonwrays Cemetery & Crematorium in Skipton, and Ingleton Cemetery
- Maintaining public conveniences in Skipton and Settle



What your Council does for you

Culture and Recreation

- Maintaining Aireville Park in Skipton
- Supporting activity to develop the arts and sport across Craven
- Managing Craven Leisure facilities
- Running a programme of events across Craven during the Skipton Town Hall redevelopment



Democracy

- Maintaining the register of elections
- Administering elections for local Parish, District, County, UK Parliamentary, European Parliamentary, Police and Crime Commissioner elections and referendums
- Supporting Council Members and the Chairman of the Council to undertake their duties as democratically elected representatives
- Administering meetings of the Council's committees and Council



What your Council does for you

Environment

- Cleaning streets and public places to maintain high standards of street cleanliness
- Dealing with noise nuisance issues
- Monitoring and improving air pollution, contaminated land and flood prevention
- Collecting trade and household waste and recycling including bulky items and garden waste
- Monitoring the quality and safety of private water supplies



Housing

- Preventing homelessness and providing housing advice
- Providing advice on disabled adaptations and energy efficiency
- Working in partnership to increase the supply of affordable housing
- Improving private sector housing conditions for people in Craven through initiatives such as advice to homeowners, tenants and landlords, and licensing of homes in multiple occupation
- Providing a Housing and Council Tax benefit claims service



Our Vision & Values

Our Vision

For Craven to be an increasingly prosperous place with strong, vibrant communities that celebrate their unique rural and urban settings, and where all residents enjoy a good quality of life.

Our Values

We believe our first responsibility is to the people and communities who live in, work in or visit Craven.

In serving those communities everyone within Craven District Council will:

- Treat everyone with respect
- Act with integrity and honesty
- Show commitment and flexibility
- Strive for improvement and excellence

Our values are at the heart of everything we do, they influence the way we work and help us to continually improve performance.





Our Priorities - Enterprising Craven ***Facilitating economic growth across Craven***

What we will do

Enable the provision of 230 homes per year across Craven to meet the needs of our current and future communities

How we will do this

Allocate a suitable supply of land for all types of residential development and increase the supply of affordable housing

Key delivery mechanisms include

- Publication of the Local Development Plan
- Use Council assets to build 25 housing units per annum from 2020 across all tenures
- Use of policies to enable the provision of 69 affordable homes per year
- Design and develop a new rural housing model fit for the 21st Century and roll out across the district
- Promote and assist communities to take advantage of the Community Led Housing Fund by supporting delivery of at least one Community Led Housing Funded Scheme per annum
- Hold a small builders' workshop to support the removal of barriers to house building



Our Priorities - Enterprising Craven

Facilitating economic growth across Craven

What we will do

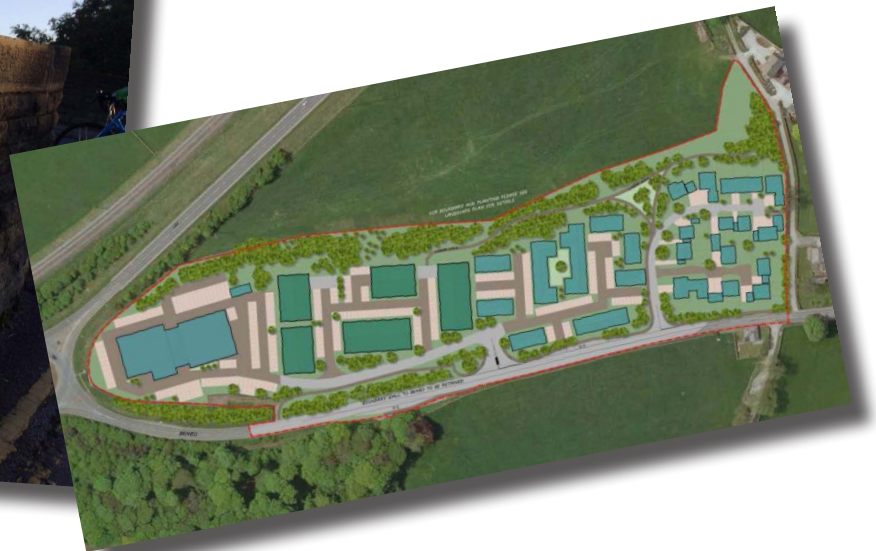
Stimulate business growth

How we will do this

Enable the development of 8 hectares of new employment land by 2020

Key delivery mechanisms include

- Development of the South Skipton Employment Zone and improvements to the Engine Shed Lane area
- Creation of new employment sites in Bentham, Ingleton and Settle (Anley Crag)
- Development of employment space at Langcliff, and Threshfield Quarry



Our Priorities - Enterprising Craven

Facilitating economic growth across Craven

What we will do

Stimulate business growth

How we will do this

Improve the quality and capacity of the transport infrastructure serving the District

Key delivery mechanisms include

- Production of a masterplan to inform improvements to infrastructure in and around Skipton Railway Station that increases economic vibrancy and creates an attractive gateway to the town
- Lobbying for investment in the road and rail infrastructure serving the District as part of the central Pennine corridor



Our Priorities - Enterprising Craven

Facilitating economic growth across Craven

What we will do

Stimulate business growth

How we will do this

Ensure new and existing businesses have access to, and are able to benefit from business support services

Key delivery mechanisms include

- Delivery of the Ad-Venture Enterprise Growth Programme in collaboration with partners
- Continuing with the role of SME Growth Manager in collaboration with Leeds City Region Local Enterprise Partnership
- Delivery of the Digital Enterprise Business Support Programme in collaboration with partners





Our Priorities - Enterprising Craven ***Facilitating economic growth across Craven***

What we will do

Stimulate business growth

How we will do this

Ensure all businesses and residents in Craven have access to a high quality broadband connection by 2020

Key delivery mechanisms include

Support for the delivery of Broadband Delivery UK funded activity through the Super-fast North Yorkshire programme

Working with businesses and communities to support delivery of alternative broadband technologies including wireless and fibre to the home networks



Our Priorities - Enterprising Craven

Facilitating economic growth across Craven

What we will do

Improve the economic vitality of Craven's market towns and villages

How we will do this

Enhance the quality of the trading environment within the District's core retail centres

Key delivery mechanisms include

- Development and delivery of actions plans for Bentham, Grassington, Cross Hills, Ingleton and Settle
- Working with partners to support delivery of the Skipton (BID) Business Improvement District
- Support the development of settlements in the Dales as part of the strategy to attract more younger people to the area.



Our Priorities - Enterprising Craven

Facilitating economic growth across Craven

What we will do

Improve the economic vitality of Craven's market towns and villages

How we will do this

Improve access to and enjoyment of Craven's great heritage and culture

Key delivery mechanisms include

- Development of Skipton Town Hall into a vibrant cultural community venue
- Establish in partnership with others a cultural apprenticeship scheme
- Enable and facilitate the development of new and existing hubs across Craven
- Delivery of the Access Development Plan for the Leeds & Liverpool Canal
- Work with partners to start the development of the Northern Forest





Our Priorities - Enterprising Craven

Facilitating economic growth across Craven

What we will do

Improve the economic vitality of Craven's market towns and villages

How we will do this

Collaborate with partners to retain and attract more working age households to the District

Key delivery mechanisms include

- Delivery of the Great Place Lakes and Dales Scheme including a series of small events in spaces and venues developed by younger people for younger people
- Build eight houses in Horton in Ribblesdale and Airton
- Adopt and deliver the action plan agreed with partners for the retention and attraction of working age households



Our Priorities - Resilient Communities

Creating sustainable communities across Craven

What we will do

Enable active communities and improve quality of life

How we will do this

Reduce health and wellbeing inequalities

Key delivery mechanisms include

- Actively participating in the Health and Care Partnership Board to encourage investment in prevention activities for the benefit of Airedale, Wharfedale and Craven Residents
- Supporting the Craven Communities Together programme (a cross sector partnership involving partners across health, social care, the voluntary sector, Craven District and North Yorkshire County Council) and the Nurturing Neighbourhoods workstream, developed to address loneliness and isolation and consequently the associated health implications across Craven.
- Identifying and implementing a range of projects to reduce health inequalities, including supporting the development of Dementia Friendly Craven
- Working with partners to provide improved support and intervention services for rough sleepers and those at risk of sleeping rough



Our Priorities - Resilient Communities

Creating sustainable communities across Craven

What we will do

Enable active communities and improve quality of life

How we will do this

Enable community groups across the District to achieve their ambitions

Key delivery mechanisms include

- Continue to deliver the Ward Member Grant Programme, providing support to a range of community groups across the District
- Facilitating community projects including working with the Friends of Aireville to deliver the final phase of new play area in Aireville Park.
- Maximising the use of Planning Gain to provide funding for community projects



Our Priorities - Resilient Communities

Creating sustainable communities across Craven

What we will do

Create greener communities

How we will do this

Reduce waste to landfill and increase re-use and recycling

Key delivery mechanisms include

- Actively engaging in the consultation on the new waste strategy proposed by DEFRA
- Promoting and increasing take up of the Council's commercial recycling scheme
- Encouraging residents to recycle more of their household waste to achieve household recycling targets and maximise income from recycled waste
- Explore options for the provision of anaerobic digestion facilities in Craven



Our Priorities - Resilient Communities

Creating sustainable communities across Craven

What we will do

Create greener communities

How we will do this

Promote use of electric vehicles in Craven

Key delivery mechanisms include

- Install electric charging points on Council owned assets at suitable locations
- Review the Council's commercial vehicle fleet and replace vehicles with an electric option where appropriate as part of the ongoing replacement programme.



Our Priorities - Resilient Communities

Creating sustainable communities across Craven

What we will do

Create greener communities

How we will do this

Make Craven's public spaces cleaner, safer and greener

Key delivery mechanisms include

- Working with relevant agencies to implement the powers contained in the Anti-Social Behaviour, Crime and Policing Act 2014 to better protect communities from anti-social behaviour.
- Deliver the Craven Cleaner Neighbourhoods Strategy in order to reduce fly-tipping, littering and dog fouling.



Our Priorities - Resilient Communities

Creating sustainable communities across Craven

What we will do

Create greener communities

How we will do this

Acknowledge, reward and promote best environmental practice across businesses and the voluntary sector

Key delivery mechanisms include

- Running and promoting the Craven Green Apple Award scheme



Our Priorities - Financial Sustainability

Ensuring a self-sustainable Council

What we will do

Create a council that is financially viable without government grant and able to deliver the services its residents require

How we will do this

Ensure expenditure is prioritised, regularly reviewed and reflects residents' priorities

Key delivery mechanisms include

- Reviewing and implementing the Council's Long Term Financial Strategy 2019/23
- Undertaking a budget consultation with residents and stakeholders
- Responding to consultations and changes that affect Local Government and or the Council thus ensuring that our voice is heard
- Influencing where possible changes that are outside of our control



Our Priorities - Financial Sustainability

Ensuring a self-sustainable Council

What we will do

Create a council that is financially viable without government grant and able to deliver the services its residents require

How we will do this

Improve the Council's commercial acumen and generate additional income

Key delivery mechanisms include

- Ensure that the council's Income and Savings plan is robust in order to meet the challenges going forward
- Exploring and exploiting opportunities to the Council presented through devolution





Our Priorities - Financial Sustainability ***Ensuring a self-sustainable Council***

What we will do

Create a council that is financially viable without government grant and able to deliver the services its residents require

How we will do this

Maximise the Council's assets for the long term sustainability of the Council and the District

Key delivery mechanisms include

- Identify opportunities within the Council's acquisition and regeneration investment strategy to acquire property assets to improve the financial sustainability and well-being of the district.
- Delivering a range of schemes through our Joint Venture Company to make best use of Council owned marginal land sites to support regeneration and growth across the District



Our Priorities - Financial Sustainability ***Ensuring a self-sustainable Council***

What we will do

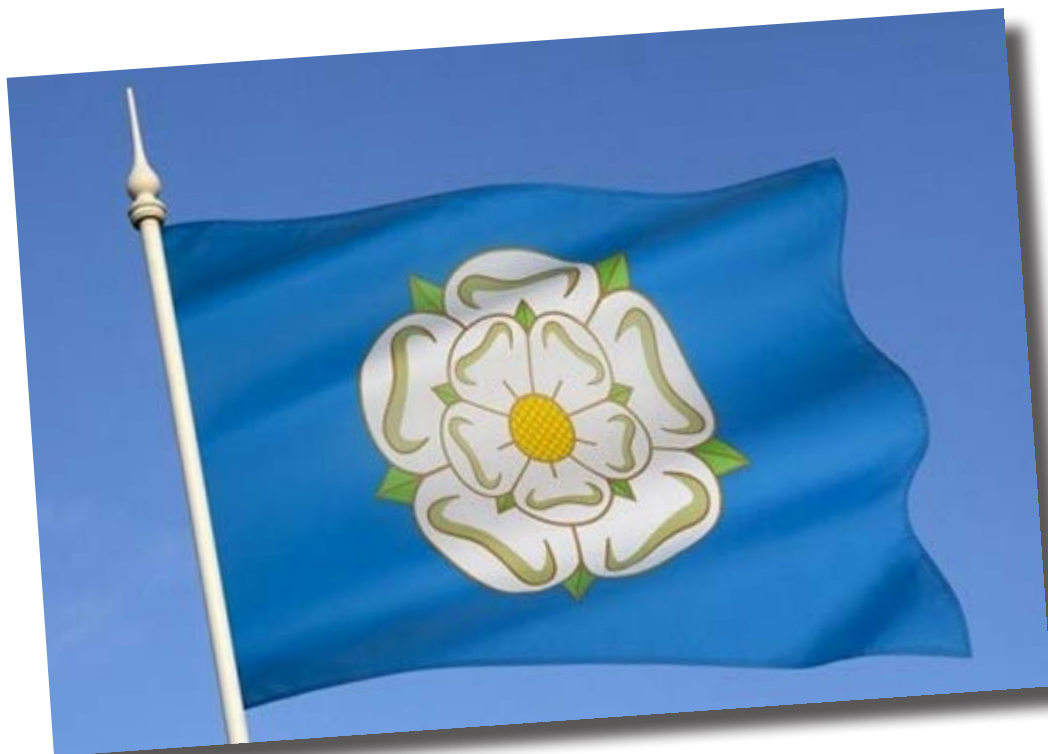
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Contact Us

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If you would like this information in a way which is better for you, please telephone 01756 700600

Craven Museum & Art Gallery - Delivery Phase Risks

Risk ID	Risk identified	Likelihood of occurrence (High, Medium or Low)	Severity of impact (High, Medium or Low)	Consequence	Control procedure	Residual Risk	Notes
GOVERNANCE RISK							
GOV001	Failure to comply with HLF or other funder requirements	Low	High	Loss of HLF/other funder support and confidence, delay to project programme.	Maintain good liaison with the HLF to agreed delivery points.	Low	
GOV002	Delay in receiving Permission to Start from HLF	Medium	Medium	Delay to programme, impacting upon the production of tender procurement documents and delay in filling critical positions.	Maintain good liaison with the HLF.	Low	Risk removed. Rec'd PTS
GOV003	Delivery phase consultants / contractors not procured in a timely manner or in accordance with HLF/other funder procurement procedures.	Low	High	Delay in creating project team, with subsequent effect on programming.	Implement agreed procurement strategy. Allow sufficient programme time for procurement, including advertisement and recruitment.	Low	
GOV004	Loss of key project staff, either within CDC or within the consulting / contracting team	Medium	High	Loss of expertise in understanding and managing project, leading to weaker relationships with design team and stakeholders	Thorough handover and procedural manuals for all key roles. Ensure staff terms and conditions continue to compete with market standard.	Medium	
GOV005	Poor communication of project aims and late planning	Low	Medium	Staff and project team prioritise poorly and project timetable slips, impacting on quality of delivery.	Clear information flow from project team to and from the rest of the organisation. Timetable and deadlines built into individual work plans.	Low	

GOV006	Failure to understand and plan for project evaluation	Low	Medium	Lack of HLF and stakeholder support, resulting in project delays.	Include evaluation procedures in capital and operational programming.	Low	
GOV007	Loss of stakeholder and / or public support.	Low	High	Loss of support for redevelopment, project aims and financial backing resulting in project delays and potential reduction in scope.	Ensure effective and continual communication between project team, CDC and stakeholders.	Low	
GOV008	CDC fails to maintain proper oversight of current works to the Concert Hall carried out in advance of the main capital programme and museum refurbishment	Medium	Medium	Potential programme delays and budget impact; unnecessary duplication of works.	Ensure good management and coordination of the existing estate and wider works programme with the museum refurbishment contract.	Low	
LEGAL RISK							
LEG001	Failure to comply with Listed Building Consent conditions	Low	Medium	Scheme delayed	Maintain ongoing consultation with Historic England and CDC Building Control and Planning officers and Conservation specialists.	Low	
LEG002	Delay in obtaining building regulation approval	Low	Medium	Redesign issues leading to project delay and cost increases	Approved inspector appointment to be made at the start of construction and are to work in parallel with the design team	Low	
LEG003	Delay in obtaining Highways approval for access / road closures during construction period and / or compliance with permissions	Low	Medium	Disruption to local businesses and establishments, leading to loss of support of project	Consultation with local businesses and traders; maintaining engagement with neighbours	Low	

OPERATIONAL (ACTIVITY) RISK								
OPR001	Failure to effectively engage audiences	Medium	Medium	Project fails to achieve ambitions to bring visitors of all ages and backgrounds together. Activity is unrepresentative of the targeted communities.	Targeting and developing the programme with a wide range of diverse partners to offer a balanced level of engagement and commitment.	Low		
OPR002	Failure to integrate and manage the Activity Plan	Medium	Medium	Projects fails to achieve targets	Regular meetings between project board and delivery partners to ensure joined up working	Low		
OPR003	Family workshops not being inclusive or of interest to families	Low	Low	Numbers of families taking part in family workshops would be low.	Do a series of family workshop trials and evaluate to make sure groups get the most out of their informal learning.	Low		
OPR004	School programmes not linking with students' learning capacity or Schemes of Work	Medium	Medium	Schools not wanting to take part in workshops. Schools not wanting to take part in future workshops.	Employ all learning strategies (differentiation, KS levels) in programme planning. Communicate with teachers taking part for relevant feedback	Low		
OPR005	Failure to fully integrate the Visitor Orientation Centre with the Museum and Gallery	Low	High	Failure to deliver vision of 'cultural and heritage hub'; failure to achieve targeted visitor numbers; loss of project support.	Ensure appropriate training is available to Visitor Orientation Centre staff and volunteers; embed a culture of joint working.	Low		
OPR006	Failure to deliver activities during closure period.	Low	Medium	Failure to meet activity and engagement targets; loss of project support	Ensure a sustainable activity programme is in place for closure period; liaison and monitoring of targets by Community Heritage Curator.	Low		
OPR007	Failure to undertake management of the building as a whole	Medium	Medium	Failure to effectively manage the disparate elements of the building, including the Museum, Gallery, Visitor Orientation Centre, Concert Hall, and leased retail and catering venues. Potential harm to building fabric. Loss of visitor numbers and income. Potential loss of tenants.	Ensure effective liaison is maintained between CDC and the Town Hall Manager, Museum staff and other parties and tenants through regular meetings and working groups, and that issues raised are addressed efficiently.	Low		

HEALTH AND SAFETY / CDM RISKS								
H+S001	Poor health and safety management and lack of rigorous working practices.	Low	High	Accidents and injury.	Ensure that health & safety training is carried out to an adequate level by all staff and contractors and suitable equipment and welfare facilities are available on site.	Low		
H+S002	Undertaking works with adjacent areas within the building in occupation.	High	Low	Disruption to services, loss of support from other occupiers and users of the building.	Carry out full liaison with all occupiers and users and identify specific risks in relation to the presence of other users of the building during works. Identify who will undertake a liaison role between different occupiers and users of the building and ensure sufficient time is allocated for liaison. Include in contractor tender documents.	Low		
H+S003	Failure to maintain fire escape risks during construction phase.	Low	High	Accidents and injury in the result of a fire.	Include in contractor tender documents and ensure liaison with building regulation officers and CDM specialists.	Low		
H+S004	Security of site during works (unauthorized access)	Low	Medium	Damage to public and collection	Onsite security	Low		
H+S005	Failure to create a safe environment for hard hat tours and other visitors	Low	High	Accidents and injury.	Include in contractor tender and ensure safe working practices across the site at all times.	Low		
FINANCIAL RISKS								
FIN001	Insufficient match funding received to enable entire Town Hall redevelopment programme.	High	High	Reduction in scope of capital works or inability to complete project. Potentially jeopardises HLF/other funder contributions.	Funding underwritten and confirmed by CDC in writing; continued applications with other funders and partners.	Medium		

FIN002	Lack of clarity between different funding streams.	Low	High	Lack of compliance with grant bodies jeopardises project completion; potential impact on programming and budget.	CDC has checked that there are no conflicted grant requirements with the HLF and other funders. Ensure thorough management of the various funding streams and elements by Project Manager and CDC.	Low	
FIN003	Project capital costs during final design and procurement stages increase.	Medium	High	Delay to the project and potential reduction in project scope.	Ensure a QS/cost manager with relevant experience is appointed within the architectural team; implement a value led engineering strategy in the design process where necessary. Maintain a regular review of expenditure. Undertake a value engineering exercise if required.	Medium	
FIN004	Contractor returns exceed agreed budget	Medium	Low	Delay to the project and potential reduction in scope.	Ensure the design scheme is appropriately and robustly costed. Ensure robust tender documentation is in place, and award tenders to those within budget parameters. Ensure sufficient contingency and inflation levels are within project budget. Undertake a value engineering exercise if required.	Low	
FIN005	Delays in commencement do not account for inflationary rises in cost, resulting in a cash shortfall during capital works.	Medium	Medium	Reduction in scope of capital works or inability to complete project.	Ensure that cost estimates account for inflationary increases.	Low	
FIN006	Lack of budget contingency or reserves to respond to new needs or requirements that arise	Medium	Medium	Inability to respond to new requirements, resulting in reduced scope or inability to complete project.	Appropriate contingency fund built in at every stage and detailed planning undertaken to mitigate unforeseen risks as far as possible.	Low	

FIN007	Programme delay by main contractors causes acceleration of exhibition fitting out contract.	Medium	Medium	Increase in exhibition installation costs to meet opening deadline.	Project programme agreed, good communication maintained across all contractors.	Low	
ENVIRONMENTAL RISK							
ENV001	Failure to comply with HLF environmental and sustainability requirements.	Low	Low	Late stage design changes to ensure compliance impact upon project programme and costs.	Ensure compliance with CMP recommendations and compliance with HLF requirements during detailed design stages.	Low	
DESIGN RISK							
DES001	Finalising architectural and exhibition design within budget	Low	Medium	Impact on programme to bring down to budget; revision of client brief.	Cost control procedures agreed; ensure CDC clarity in finalising detailed design brief.	Low	
DES002	High-speed design changes from CDC which are not properly evaluated.	Low	Medium	Late changes in design while on site, leading to programme delays and potential cost implications.	Close cost control with regular reviews. Ensure design changes are captured in the detailed design brief and are agreed with key project stakeholders.	Low	
DES003	Unexpected discoveries during site engineering investigations.	Low	Medium	Late changes in structural design and engineering elements, leading to programme delays and potential cost implications.	Undertake site investigations as early as possible in the capital programme, before the appointment of the main contractor, so that any design alterations can be accommodated.	Low	
DES004	Unexpected archaeological discoveries during construction works.	Low	High	Increase in costs for archaeological mitigation; programme delay.	Archaeological assessment does not show probability of significant remains; ensure budget is available for a watching brief, with appropriate contingencies if necessary.	Low	
DES005	Failure to ensure unimpeded access to exhibition areas for timely fit out of the new exhibition gallery	Low	Medium	Impact on programme and budget; potential impact on the security and environmental conditions necessary for the collections; potential for damage to digital elements of the exhibition.	Project programme agreed, good communication maintained across all contractors.	Low	

DES006	Lack of integration between design and construction programmes	Low	Low	Impact on programme and budget	Project programme agreed	Low	
DES007	Unforeseen building fabric issues (asbestos, damp, rot, other deleterious materials, etc.) arise	Medium	Medium	Safe working conditions affected and project timetable and budget increases. Failure to comply with current CDM policy. Impact on programme and budget.	Detailed surveying undertaken during design phase to minimise unforeseen risk but appropriate contingency built into budgets and timetable. CDM coordinator appointed as part of project design team.	Low	
DES008	Lack of integration between HLF works and Concert Hall restoration works.	Low	High	Impact on programme and budget	Regular review of programme and contractual arrangements.	Low	
INTERPRETATION RISK							
INT001	Changes to architectural design or construction programme have a negative impact on Museum interpretation design and installation	Medium	High	Impact on programme and budget and overall Interpretation design.	Ensure project programme has sufficient allocation for the Interpretation installation and snagging prior to opening. Any proposed changes to the architectural and mechanical designs to be discussed with the Interpretation consultants before implementation.	Low	
INT002	Content development is inadequate or inappropriately managed.	Low	Medium	Delay in producing final design and materials. Insufficient consideration of content leading to lack of stakeholder support.	Ensure sufficient budget is available for content development with programme allocation for further consultation and audience development if required.	Low	
INT003	Damage to Museum collections during decant/reinstallation	Low	High	Loss of heritage value and impact on programme and budget	Require method statements and qualified contractors to undertake decant.	Low	
INT004	Detailed interpretation	Low	Medium	Lack of coordination in activities and	Continued liaison between	Low	

	elements do not link with Activity Plan.			interpretation/exhibition. Impact on programme and budget.	Interpretation consultants and Project Manager / Community Heritage Curator.		
INT005	Failure to properly sequence contractors during the exhibition installation and collections recant.	Low	Medium	Potential impact on programme and budget	Ensure the recant and installation is coordinated between the contractors.	Low	
MUSEUM COLLECTIONS RISK							
COL001	Insufficient space is made available for Museum collections store in appropriate environmental and secure conditions.	Low	High	Delay in fitting collections storage. Impact on programme and budget.	Ensure continuous liaison with storage contractors during detailed design phase.	Low	
COL002	Recommendations in Collection Map regarding policies and cataloguing are not followed.	Low	Medium	Failure to secure conservation, access and storage requirements of the collection.	Continuous liaison with Museum & Collections Officer and curatorial team.	Low	
COL003	Curatorial team is pulled onto other work at critical points	High	High	Sufficient time not allocated to HLF project due to current schedule of activities, events and exhibitions support needs	Reduce number of other events/exhibitions or allocate other staff to prepare these, keep 3 month period before closure completely free for collections preparation work for collections team.	Low	
COL004	Access to the Museum collections during capital works is restricted.	Low	Medium	Inability to carry out planned activities using the collections; unable to complete cataloguing and implement recommendations in the Collections Map	Undertake appropriate planning on the museum decant to allow for sections of the collection to remain in accessible storage; liaison between Museum & Collections Officer, Collections Assistant and Community Heritage Curator about activities.	Low	

COL005	Items not properly tracked and cannot be located during decant and recant process.	High	High	Items are not marked with locations initially so location cannot be tracked during the decant and recant process; inability to access relevant items for research, conservation, activities or exhibition preparation during closure.	Prioritise during the 6 months prior to the collection move.	Low	
COL006	Items not correctly packed or dismantled for movement.	Medium	Medium	Items do not dismantle in the way expected, difficult to re-assemble or problems in storage; potential for damage to objects.	Allow sufficient time for decant process, appoint removal company in good time and work closely with them, use same co. for decant, storage and recant.	Low	Can remove risk. Decant complete
COL007	Items in store when needed during interpretation process	Medium	Medium	Conservation, preparation of mounts, photography etc. delayed due to items being in store when needed	Use stores which can be accessed if needed, keep good communications between design team and collections team, allow time for conservation, photography, mounting etc. in timescales.	Low	
COL008	Items do not fit into places allocated	Medium	Medium	Items do not fit into the stores or into the allocated cases, causing redesign of exhibits, programme delays and cost implications.	Identify potential problem objects and take good measurements, needs good on going liaison between design team and collections team.	Low	
COL009	New archive and storage does not provide required elements	Medium	Medium	Storage areas might be too small, wrong temp/RH, not give sufficient access, room for working, type of shelving might not suit existing boxes and trays where reused; risk of damage to collections and impact on programme and budget.	Appoint storage consultant as soon as store shape and area fixed, capture as much information at collection mapping stage as possible	Low	