

Finance and Audit Scrutiny Committee

Tuesday 4 April 2017

A meeting of the Finance and Audit Scrutiny Committee will be held at the Town Hall, Royal Leamington Spa on Tuesday 4 April 2017 at 6.00pm.

Membership:

	Councillor Quinney (Chair)	
Councillor Ashford		Councillor Harrington
Councillor Barrott		Councillor Illingworth
Councillor G Cain		Councillor Noone
Councillor Mrs Falp		Councillor Rhead
Councillor Gifford		Councillor Thompson

Emergency Procedure

At the commencement of the meeting, the Chairman will announce the emergency procedure for the Town Hall.

Agenda

Part A – General Items

1. Apologies and Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

3. **Minutes**

To confirm the minutes of the meeting held on 7 March 2017

(To follow)

Part B Audit Items

4. **Internal Audit Strategy & Plan 2017/18 – 2019/20 and Internal Audit Charter**

To receive a report from Finance

(Pages 1 to 22)

5. **External Audit Reports**

To receive a report from Finance

(Pages 1 to 45)

6. **Cultural Services Risk Register (Feb 2017)**

To consider a report from Cultural Services

(Pages 1 to 21)

Part C – Scrutiny Items

7. **Procurement Guidance for Members**

To consider a guidance note from Warwickshire County Council Legal Services presented by the Deputy Chief Executive (AJ)

(Pages 1 to 5)

8. **End of Term Report 2016/17**

To consider a report from Democratic Services

(Pages 1 to 5)

9. **Comments from the Executive**

To consider a report from Democratic Services

(Pages 1 to 4)

10. **Review of the Work Programme and Forward Plan**

To consider a report from Democratic Services

(Pages 1 to 18)

11. **Executive Agenda (Non Confidential Items and Reports) – Wednesday 5 April 2017**

To consider the non-confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

**You are requested to bring your copy of that agenda to this meeting.
(Circulated separately)**

12. **Public and Press**

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

13. **Executive Agenda (Confidential Items and Reports) – Wednesday 5 April 2017**

To consider the confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

**You are requested to bring your copy of that agenda to this meeting.
(Circulated separately)**

Agenda published Monday 27 March 2016

General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.

Telephone: 01926 456114

E-Mail: committee@warwickdc.gov.uk

For enquiries about specific reports, please contact the officers named in the reports

You can e-mail the members of the Committee at f&a@warwickdc.gov.uk

Details of all the Council's committees, Councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 456114 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.

The agenda is also available in large print, on request, prior to the meeting by calling 01926 456114.

 Finance and Audit Scrutiny Committee 4 April 2017		Agenda Item No. 4
Title	Internal Audit Strategic Plan 2017/18 – 2019/20 and Internal Audit Charter	
For further information about this report please contact	Richard Barr Tel: (01926) 456815 email: richard.barr@warwickdc.gov.uk	
Service Area	Finance	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	Finance and Audit Scrutiny Committee – 5 April 2016	
Background Papers	Internal Audit risk assessment file; SMT minutes	

Contrary to the policy framework?	No
Contrary to the budgetary framework?	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken?	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive	1 March 2017	Chris Elliott
CMT	1 March 2017	
SMT	1 March 2017	
Section 151 Officer	1 March 2017	Mike Snow
Monitoring Officer	1 March 2017	Andrew Jones
Finance	1 March 2017	As Section 151 Officer
Portfolio Holder	16 March 2017	Councillor Whiting
Consultation and Community Engagement		
Consultation with managers and the Council's external auditors.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1 **Summary**

- 1.1 The report presents the Internal Audit Strategic Plan 2017/18 – 2019/20 and the Internal Audit Charter for consideration and approval.

2 **Recommendation**

- 2.1 That Members consider and approve the Internal Audit Strategic Plan 2017/18 – 2019/20 and the Internal Audit Charter.

3 **Reason for the Recommendation**

- 3.1 The Internal Audit Strategic Plan is an important element in providing the required independent and objective opinion to the organisation on its control environment, in fulfilment of statutory duties.
- 3.2 The compilation of the Internal Audit Charter is a requirement of the Public Sector Internal Audit Standards.

4 **Policy Framework**

- 4.1 Although there are no direct policy implications, Internal Audit provides a view on all aspects of governance and will take into account the Council's policies.

5 **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 **Risks**

- 6.1 Internal Audit provides a view on all aspects of governance, including corporate and service arrangements for managing risks.
- 6.2 It is difficult to provide a commentary on risks as the report is concerned with the provision of reviews by Internal Audit on other services. Having said that, there are clear risks to the Council in not dealing with issues raised within Internal Audit reports and there is an overarching risk associated with the Finance & Audit Scrutiny Committee not fulfilling its role properly e.g. not scrutinising this report robustly.

7 **Internal Audit Strategic Plan**

- 7.1 Internal Audit provides an independent opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. It examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 7.2 The Internal Audit Strategic Plan 2017/18 to 2019/20 comprising the planned reviews over this period is set out as the first Appendix to this report.

- 7.3 The Audit Plan is organised as follows:
- Risk-based coverage
 - Coverage for external audit reliance or to meet regulatory requirements
 - Other internal audit coverage
- 7.4 The audits set out in the first year of the Plan are carried out throughout the year with timings (start dates) agreed with managers on individual audits, usually at the beginning of the year.
- 7.5 The Internal Audit Charter for delivering this assurance is also included and is set out as Appendix 2.

8 **Formulation of the Plan**

- 8.1 To produce the audit plan, the following has been taken into consideration:
- The strategic objectives of the organisation and the specific risks associated with those objectives;
 - the content of risk registers and assurance frameworks to understand the risks faced, and the controls that the organisation places reliance on to manage those risks;
 - areas of concern or previous requests for coverage from management and the Finance & Audit Scrutiny Committee;
 - areas where the External Auditors will wish to place reliance on the testing performed by Internal Audit;
 - other sources of assurance available to the organisation e.g. inspections, peer reviews, accreditations;
 - any recent significant changes within the organisation and its operations;
 - regulatory requirements for internal audit coverage;
 - emerging issues, including any additional risks that do not appear on the risk profile but may merit internal audit coverage;
 - the timing for each internal audit review to maximise the benefit of assurance provided; and
 - the results of previous internal audit coverage.
- 8.2 In recent years we have strengthened our risk-based approach by placing greater reliance on the risk registers to identify priority areas. An exercise to link the audit plan to the risk registers also highlighted some new areas that required audit coverage. A good example of this was climate change where an audit of the Authority's preparations for responding to climate change was identified. We have continued that approach for this year.
- 8.3 An earlier draft of the Strategic Plan was issued to CMT and Service Area Managers for their views.
- 8.4 Views were sought on a number of aspects, including:
- ∇ The amounts of time allocated to the various proposed assignments;
 - ∇ whether anything important has been missed;

- ∇ whether any planned assignments should be excluded (because, for example, the function is considered very low risk or because the function is no longer performed);
- ∇ whether any risk profiles had changed significantly in the last 12 months.

8.5 Service Area Managers were requested to share the draft Plan as widely as possible within their service areas and to feed back comments to Internal Audit so that a revised Plan could be presented to SMT.

8.6 A further draft of the Plan, following its presentation and discussion at SMT, is attached.

STRATEGIC AUDIT PLAN 1ST APRIL 2017 TO 31ST MARCH 2020

RISK-BASED COVERAGE

This section comprises the auditable areas mapped to the Council's key risks as represented in the Significant Business Risk Register

Assignment Name	Risk Description	Assignment Objective	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Corporate Governance - Ethics/Culture	Risk of corporate governance arrangements not maintained effectively.	Evaluate and report on effectiveness of structures and processes for instilling integrity and ethical values among the Council's workforce.	None on this theme		12	✓	✓
Performance Management	Fit for the Future Change Programme not managed appropriately/effectively Risk of sustained service quality reduction.	Evaluate the effectiveness of corporate framework for managing performance in relation to the Council's priority objectives.	2015-16	Substantial		✓	
Emergency Planning & Business Continuity Management	Risk of a major incident not responded to effectively.	Evaluate the adequacy of arrangements in place to secure effective Council response to civil emergency incidents in accordance with its statutory duties.	2014-15	Substantial	8		
Partnership Working	Risk of partnerships not delivering stated objectives.	To evaluate the Council's framework for managing its partnerships to ensure effective governance aligned to the Council's legitimate interests, objectives and priorities.	2014-15	Substantial		✓	
Human Resources Management	Risk of staff not developed effectively.	Report a level of assurance on the adequacy of high-level structures and processes in place to maintain and develop the Council's workforce.	2016-17	To be advised (audit in progress at time of drafting).			✓
ICT Strategies and Policies	Risk of ineffective utilisation of information and communications technology.	To consider the appropriateness of the revised documents and whether they are fit for purpose.	2015-16	Substantial	To be determined under updated IT audit needs assessment		
Housing Investment/Maintenance Programmes	Risk of failing to provide, protect and maintain Council-owned property.	To ensure that capital monies available for Housing Improvement are appropriately allocated and that programmed maintenance works are sufficient to ensure that Council dwellings are kept in a good state of repair.	2015-16	Substantial		✓	
Housing Stock Asset Management	Risk of failing to provide, protect and maintain Council-owned property.	Appraisal of systems for effective management of the portfolio including maintenance of proper records, asset utilisation, and progressing relevant provisions of Asset Management Plan (excludes rent accounting - covered as separate assignment).	2015-16	Substantial		✓	
Corporate Property and Portfolio Management	Risk of failing to provide, protect and maintain Council-owned property.	Report a level of assurance on the adequacy of structures and processes in place to manage the non-Housing property portfolio economically, efficiently and effectively.	2016-17	To be advised (audit in progress at time of drafting).			✓

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RISK-BASED COVERAGE

This section comprises the auditable areas mapped to the Council's key risks as represented in the Significant Business Risk Register

Assignment Name	Risk Description	Assignment Objective	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Planning Policy	Local Plan is found unsound.	Report a level of assurance on the adequacy of structures and processes for developing and implementing the Local Plan and other plans and policies for managing development in line with the Council's high level strategies and national policies.	2016-17	To be advised (audit in progress at time of drafting).			✓
Corporate Procurement	Risk of major contractor going into administration or deciding to withdraw from the contract. Risk of improper procurement practices and legislative requirements not being complied with.	Report a level of assurance on the adequacy of controls in place to ensure that the Council's procurement activity accords with best practice and complies with legislation.	2015-16	Substantial		✓	
Sustainability and Climate Change	Risk of climate change challenges not responded to effectively.	Report a level of assurance on the adequacy of systems in place to manage the risks emanating from climate change and deal with impacts with minimum possible disruption to services.	2013-14	Moderate	8		
Financial Strategy, Planning and Budgetary Control	Risk of not investigating potential income sources. Risk of insufficient finance to enable the council to meet its objectives (including insufficient reduction in operational costs). Risk of additional financial liabilities.	Report a level of assurance on the adequacy of controls in place for financial planning and budgetary control to ensure that the Council's operations and key objectives continue to be sufficiently resourced.	2016-17	Substantial			✓
TOTAL DAYS						28	

STRATEGIC AUDIT PLAN 1ST APRIL 2017 TO 31ST MARCH 2020

CORE SYSTEMS

This section comprises core activities that traditionally require Internal Audit input for assurance on financial probity and regularity.

Assignment Name	Assignment Objective	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Administration of Housing Benefit & Council Tax Reduction	Appraise adequacy of systems for determination of entitlement to HB & CTR, award, payment, accounting and processing of statutory returns.	2016-17	Substantial	10	To be advised in light of developments under Welfare Reform Act	
Collection of Council Tax	Report a level of assurance on adequacy of systems for compiling and maintaining local valuation list, assessing liability, billing, collection, enforcement and granting of reliefs.	2016-17	Substantial	10	✓	✓
Collection of National Non-Domestic Rates	Report a level of assurance on adequacy of systems for compiling and maintaining local valuation list, assessing liability, billing, collection, enforcement and granting of reliefs.	2016-17	Substantial	10	✓	✓
Housing Rent Collection	Report a level of assurance on the adequacy of systems for rent setting, collection and accounting of rents due and control of arrears.	2013-14	Substantial	14		
Housing Repairs and Maintenance	Appraise adequacy of systems for commissioning and paying for responsive repair work to domestic HRA properties.	2016-17	Substantial			✓
Main Accounting System	Report a level of assurance on the adequacy of controls for ensuring complete and accurate accounting of all financial transactions and timely production of final accounts in accordance with statutory and regulatory requirements.	2016-17	Substantial			✓
Payment of Creditors	Appraise adequacy of systems for ensuring only bona fide creditors and transactions properly accounted for (includes control of cheques used to pay creditors and rent allowances).	2015-16	Substantial		✓	
Payroll and Staff Expenses	Appraise adequacy of systems for ensuring that only bona fide employees and Members are paid according to entitlement, and that all payments, deductions, etc. are properly discharged and accounted for.	2015-16	Substantial		✓	
Sundry Debtors	Appraise adequacy of systems for ensuring correct raising of invoices, proper accounting for invoices and cash received in payment thereof and effective recovery of arrears.	2015-16	Substantial		✓	
Treasury Management	Appraise and report on the adequacy of controls in place to address the key risks in carrying out treasury management activities.	2016-17	Substantial			✓
TOTAL DAYS				44		

STRATEGIC AUDIT PLAN 1ST APRIL 2017 TO 31ST MARCH 2020

OTHER INTERNAL AUDIT COVERAGE

This section covers the auditable areas other than those linked with the Significant Business Risk Register or classified as core systems. The decision to audit these areas is primarily influenced by the Service Risk Registers, but further areas are identified through an internal audit needs assessments process and IS/IT audit needs assessments commissioned from approved external contractors.

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
ICT Services	ICT Business Continuity/Disaster Recovery	The review will consider the Council's business continuity plans in place and the supporting ITDR arrangements to ensure they are properly co-ordinated and fit for purpose. The review will include the arrangement with the business continuity provider.	IT Audit Needs Assessment	2016-17	To be advised (audit in progress at time of drafting).	To be determined under updated IT audit needs assessment - estimate 20 days' overall input per annum		
ICT Services	Infrastructure Security and Resilience	To report a level of assurance on the robustness of network infrastructure controls in place to ensure that systems and data are adequately protected and retrievable.	IT Audit Needs Assessment	2014-15	Substantial			
ICT Services	Software Licensing	Report a level of assurance on the effectiveness of processes to ensure compliance with licensing conditions for software installed on all Council devices in a manner that delivers value for money.	IT Audit Needs Assessment	2014-15	Substantial			
ICT Services	ICT Backup Strategy, Processes and Procedures	To report a level of assurance on the controls in place to ensure that Council owned computer data is backed up and can be recovered in a secure and timely manner.	IT Audit Needs Assessment	2012-13	Substantial			
ICT Services	ICT Change Management and Testing	To report a level of assurance on the key controls in place for managing changes to ICT systems owned by the Council.	IT Audit Needs Assessment	2016-17	To be advised (audit in progress at time of drafting).			
ICT Services	Data Security	Assess processes and procedures for securing data, considering in particular management of data protection risks from loss/theft of equipment.	IT Audit Needs Assessment	2015-16	Substantial			
ICT Services	Patching and Firmware Updates	Assess whether an adequate patch management policy is in place and is applied consistently.	IT Audit Needs Assessment	2016/17	To be advised (audit in progress at time of drafting).			
ICT Services	Public Services Network	Review to monitor progress and identify risks to achievement of target compliance date.	IT Audit Needs Assessment	2015-16	Substantial			
Chief Executive	Recruitment and Selection, Terms and Conditions	Appraisal of systems to ensure compliance with statutory requirements and performance issues in setting/reviewing conditions of service, effective recruitment processes operated and appropriate action on termination of service.	Service Risk Register	2016-17	To be advised (audit in progress at time of drafting).			
Chief Executive	Corporate Training	Appraisal of Council-wide processes for assessing and funding training needs and measuring the effectiveness of training to meet performance objectives and IIP requirements.	Service Risk Register	2014-15	Substantial	6		

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Chief Executive	Employee Absence Management	Report a level of assurance on the adequacy of structures and processes to support effective absence management across the Council.	Service Risk Register	2015-16	Substantial		✓	
Chief Executive	Communications	To report a level of assurance on the adequacy of the corporate framework for managing internal and external communications to ensure conformity with relevant standards and effectiveness in support of the Council's priority objectives.	Service Risk Register	2014-15	Moderate	8		
Chief Executive	Media Services	Review of Media Services business processes (planning, resourcing, operation, performance/financial monitoring and recharging).	Service Risk Register	2013-14	Substantial	11		
Chief Executive	Data Protection	Report a level of assurance on the effectiveness of the corporate management framework in ensuring good practice in processing personal data and avoidance of unlawful disclosures and other security breaches.	IT Audit Needs Assessment	2015-16	Limited	5		
Democratic Services	Committee Services	Report a level of assurance on the adequacy of systems of control operating to support the Council's democratic processes economically, efficiently and effectively.	Service Risk Register	2014-15	Substantial	10		
Democratic Services	Electoral Registration	Report a level of assurance on the adequacy of structures and processes to maintain economically, efficiently and effectively a complete, accurate and up-to-date Electoral Register in accordance with relevant legislation and standards.	Service Risk Register	2015-16	Substantial		✓	
Democratic Services	Local Elections	Report a level of assurance on the adequacy of structures and processes in place to ensure that local elections are administered economically, efficiently and effectively in compliance with relevant legislation and regulatory provisions.	Service Risk Register	2015-16	Substantial			✓
Democratic Services	Income Receipting and Document Management	Evaluate adequacy of arrangements to secure economic, efficient and effective delivery of the income receipting and document management functions of the Corporate Support Team, including proper adherence to core financial controls and safeguarding of information processed.	Service Risk Register	2013-14	Substantial	10		
Deputy Chief Executive	Shared Legal Services	Report a level of assurance on the adequacy of controls to secure economic, efficient and effective delivery of legal services under the shared agreement with Warwickshire County Council.	Service Risk Register	2014-15	Moderate	11		
Finance	Business Applications - TOTAL Financial Management	Assess the adequacy of key IT controls in place for the TOTAL Financials application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	IT Audit Needs Assessment	2016-17	To be advised (audit in progress at time of drafting).			✓
Finance	Business Applications - PARIS Income Management	Provide a level of assurance over the key IT controls in place for the PARIS Income Management IT application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	IT Audit Needs Assessment	2012-13	Substantial	8		

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Finance	Business Applications - Civica OPENRevenues	Assess the adequacy of key IT controls in place for the Civica OPENRevenues applications to maintain the confidentiality, integrity and availability of data stored and processed within the system.	IT Audit Needs Assessment	2015-16	Substantial		✓	
Finance	Banking Arrangements	Assess arrangements to secure economy, efficiency and effectiveness of the banking services to the Council, prompt and correct posting of transactions and secure and reliable on-line transacting.	Internal Audit Needs Assessment	2014-15	Substantial	11		
Finance	Rural and Urban Capital Improvement Scheme	Report a level of assurance on the adequacy of controls in place to ensure that RUCIS grant funding is awarded and deployed in adherence to the approved scheme.	Internal Audit Needs Assessment	None under current scheme		8		
Finance	Insurances	To review the purchase of Council's insurance cover to ensure that it is appropriate, compliant with legislation and competitive. To examine the basis for the allocation of costs and the contingency arrangements in place.	Service Risk Register	2015-16	Substantial		✓	
Finance	VAT Accounting	Report a level of assurance on the adequacy of controls in place to ensure that VAT is accounted for completely and correctly and that claims arising are processed promptly.	Service Risk Register	2016-17	Substantial			✓
Finance	Procurement Cards	Verify that deployment and use of procurement cards is authorised, reasonable and in compliance with the Code of Procurement Practice and relevant specific instructions.	None Specific	None		7		
Housing and Property Services	Business Applications - MIS Housing and Corporate Property	Report a level of assurance on the adequacy of key IT controls in place for the MIS ActiveH housing management application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	IT Audit Needs Assessment	2016-17	Substantial			✓
Housing and Property Services	Homelessness and Housing Advice	Appraisal of systems to ensure compliance with statutory/regulatory/policy requirements, achievement of relevant performance objectives and integrity of financial transactions.	Service Risk Register	2014-15	Substantial		✓	
Housing and Property Services	Affordable Housing Development Programme	Appraisal of systems in place for implementation of Programme, monitoring adherence to relevant policies, management of funding, partnership working and performance review/reporting.	Service Risk Register	2016-17	Substantial			✓
Housing and Property Services	Private Sector Housing Regulation	Report a level of assurance on the adequacy of systems in place to deliver private sector housing regulatory services economically, efficiently and effectively.	Service Risk Register	2013-14	Substantial	10		
Housing and Property Services	Private Sector Housing Grants	Report level of assurance on adequacy of systems in place for ensuring that grant aid to private sector households for repairs and improvements is administered economically, efficiently and effectively in accordance with legislation, Council policies, etc	Service Risk Register	2015-16	Substantial		✓	

STRATEGIC AUDIT PLAN 1ST APRIL 2017 TO 31ST MARCH 2020

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Housing and Property Services	Lettings and Void Control	Report a level of assurance on the adequacy of controls in place for effective administration of residential property letting to support relevant Council strategic aims and ensure compliance with relevant legislation and Council policies. .	Service Risk Register	2016-17	To be advised (audit in progress at time of drafting).			✓
Housing and Property Services	Estate Management	Review of the management of the function and an assessment of the efficiency and effectiveness of the service.	Service Risk Register	2015-16	Substantial		✓	
Housing and Property Services	Right to Buy	Appraise the adequacy of the arrangement in place to ensure compliance with legislation, efficient and effective processing of applications and adherence to the associated conditions.	Internal Audit Needs Assessment	2016-17	Substantial			✓
Housing and Property Services	Leaseholder Service Charges	Verify that arrangements for setting, levying and collection of leaseholder service charges are adequate to ensure compliance with legislation, inclusion of all chargeable persons and effective recovery of applicable service and management costs.	Service Risk Register	2015-16	Substantial		✓	
Housing and Property Services	Housing Related Support Services	Appraisal of management systems for operating support services including sheltered/very sheltered schemes, Warwick Response and floating support services.	Service Risk Register	2012-13	Substantial	11		
Housing and Property Services	Corporate Properties Repair and Maintenance	Assess the adequacy of controls to maintain the Council's non-housing property assets in proper state of repair, including planning, procurement and work management processes.	Service Risk Register	2014-15	Moderate	15		
Housing and Property Services	Energy Management	Report a level of assurance on the structures and processes in place to ensure economic, efficient and effective procurement and consumption of all forms of energy resources and compliance with relevant legislation.	Service Risk Register	2012-13	Substantial	10		
Housing and Property Services	Highways Functions	Assess adequacy of systems to ensure compliance with statutory requirements, economic/efficient/ effective deployment of resources and achieving performance objectives.	Service Risk Register	2015-16	Substantial		✓	
Housing and Property Services	Building Cleaning Services	Report a level of assurance on the adequacy of structures and processes for sourcing cleaning services the Council's buildings to secure economic, efficient and effective delivery.	Internal Audit Needs Assessment	2015-16	Moderate	11		
Housing and Property Services	Asbestos Management	Report a level of assurance on the adequacy of structures and processes in place manage asbestos in accordance with the Council's statutory duties and other relevant legislation.	Outcome of Special Investigation	2016-17	Moderate		✓	
Cultural Services	Royal Spa Centre	Assess adequacy of control over on-site operational and financial activities.	Service Risk Register	2014-15	Substantial	15		
Cultural Services	Royal Pump Rooms (including Art Gallery)	Assess adequacy of control over on-site operational and financial activities.	Service Risk Register	2015-16	Substantial		✓	

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Cultural Services	Town Hall Lettings	Review of systems to ensure statutory and approved policy compliance, prompt collection and proper accounting of income due and safeguarding of facilities against loss/damage.	Internal Audit Needs Assessment	2013-14	Moderate	9		
Cultural Services	Outdoor Recreation Facilities	To ensure that effective control is exercised over the charging and collection of fees various facilities offered, ensuring that the facilities remain adequately equipped and wellbeing of users and staff is safeguarded.	Service Risk Register	2015-16	Substantial		✓	
Cultural Services	Golf Course	Assess the adequacy of contract administration to ensure that the Golf Course is being operated in accordance with the prescribed policies, terms and conditions as applicable.	Service Risk Register	2016-17	To be advised (audit in progress at time of drafting).			✓
Cultural Services	Sports Development	Assess effectiveness of deployment and management of resources in developing sporting activity including the Youth Sports Development service and contribution from the Sports Council.	Internal Audit Needs Assessment	2015-16	Substantial		✓	
Cultural Services	Catering Concessions	Evaluate arrangements for managing catering concessions on Council Premises to ensure adherence to agreed conditions, proper collection and accounting for income due and approved terms of operation favourable to the Council subject to market constraints.	Service Risk Register	2016-17	To be advised (audit in progress at time of drafting).			✓
Cultural Services	Leisure Centres	Assess adequacy of management arrangements to deliver the priority aims and objectives of the Council's leisure facilities under outsourced management arrangements.	Service Risk Register	None	Substantial		✓	
Development Services	Economic Development	Report a level of assurance on the adequacy of structures and processes in place to deliver the Council's economic development and regeneration functions economically, efficiently and effectively to achieve priority objectives and targets.	Service Risk Register	2014-15	Substantial	13		
Development Services	Events Management	Report a level of assurance on the adequacy of arrangements to regulate approved markets and deliver events (including the Warwick MOP) economically, efficiently and effectively.	Internal Audit Needs Assessment	2013-14	Moderate	10		
Development Services	Development Management	Appraise adequacy of controls to ensure that the Development Management functions comply with governing legislation, policies, standards, etc. and are delivered economically, efficiently and effectively to meet relevant priority objectives.	Service Risk Register	2014-15	Substantial	14		
Development Services	Building Control	To ascertain whether the council has appropriate controls in place to ensure that the building control services are delivered economically, efficiently and effectively, across all areas of the partnership, in accordance with statutory requirements etc.	Service Risk Register	2016-17	Moderate		✓	

STRATEGIC AUDIT PLAN 1ST APRIL 2017 TO 31ST MARCH 2020

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Development Services	Local Land Charges	Report a level of assurance on the adequacy of systems in place to ensure compliance with statutory requirements, completeness and accuracy of records and economic/efficient/effective service delivery.	Service Risk Register	2015-16	Moderate	8		
Development Services	Conservation and Design	To ascertain whether there are adequate controls in place to ensure that the historic built environment of the district is maintained to an appropriate standard and that consultative and promotional functions are delivered appropriately	Service Risk Register	2016-17	Substantial			✓
Development Services	Section 106 Agreements	Ensure that s106 agreements are being appropriately entered into; that other relevant sections are being consulted to ensure that their issues are being considered; and contributions are being received and are used in accordance with the agreement.	Service Risk Register	2015-16	Substantial		✓	
Development Services	Business Applications - IDOX Planning, Bldg. Control & Land Charges	Assess the adequacy of key IT controls in place for the Plantech Acolaid application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	Internal Audit Needs Assessment	2016-17	Substantial			✓
Health & Community Protection	Licensing Services	Evaluate management systems to ensure that the Council's licensing operations comply with statutory and regulatory requirements and that resources are deployed economically, efficiently and effectively to achieve relevant corporate objectives and targets.	Service Risk Register	2014-15	Substantial	10		
Health & Community Protection	Business Applications - APP Civica	Assess the adequacy of key IT controls in place for the APP Civica application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	IT Audit Needs Assessment	2015-16	Substantial		✓	
Health & Community Protection	Funding of Voluntary Organisations	To ensure that grants to voluntary organisations are awarded in line with agreed policies.	Internal Audit Needs Assessment	2015-16	Substantial			✓
Health & Community Protection	Flood Risk Management	Assess adequacy of systems to ensure compliance with statutory requirements, economic/efficient/ effective deployment of resources and achieving performance objectives.	Service Risk Register	2014-15	Moderate	10		
Health & Community Protection	Food Safety	Appraisal of systems to ensure effective identification/inspection of applicable premises and response to incidents, economic/efficient/effective deployment of resources and achievement of performance objectives	Service Risk Register	2016-17	Substantial			✓
Health & Community Protection	Health and Safety Enforcement in the District	Appraisal of systems to ensure effective management of relevant policies, identification/ inspection of applicable premises, response to incidents, economic/efficient/effective deployment of resources and achievement of performance objectives.	Service Risk Register	2015-16	Substantial		✓	
Health & Community Protection	Environmental Protection Functions	Report a level of assurance on the adequacy of systems in place to secure economic, efficient and effective discharge of the relevant functions in accordance with statutory requirements, national standards and corporate objectives.	Service Risk Register	2014-15	Substantial	10		
Health & Community Protection	Places and Projects	Report a level of assurance on the adequacy of systems in place to secure economic, efficient and effective discharge of the relevant functions in accordance with statutory requirements, national standards and corporate objectives.	Service Risk Register	2014-15	Substantial		✓	

STRATEGIC AUDIT PLAN 1ST APRIL 2017 TO 31ST MARCH 2020

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Health & Community Protection	Crime and Disorder	Ensure compliance with legislation and that Crime and Disorder activity is properly managed i.e. there is a management structure in place, terms of reference, objectives and measuring and reporting of progress and performance.	Service Risk Register	2016-17	Substantial			✓
Health & Community Protection	CCTV Services	Evaluation of operational controls within the CCTV service to ensure effective continual serviceability and contribution to street scene objectives.	Service Risk Register	2012-13	Substantial		✓	
Health & Community Protection	Lone Worker Arrangements	A review of the lone working procedures to determine what the current position is in relation to systems, implementation and usage.	Service Request	None		10		
Neighbourhood Services	Customer Access Facilities	Evaluate management systems for operating and developing facilities for customer interaction with the Council to meet relevant availability, accessibility and take-up objectives.	Service Risk Register	2015-16	Moderate		✓	
Neighbourhood Services	Open Spaces	Assess effectiveness of management processes in delivering relevant community, strategic and operational objectives in respect of open spaces.	Service Risk Register	2016-17	To be advised (audit in progress at time of drafting).			✓
Neighbourhood Services	Refuse Collection and Recycling	Appraisal of management systems to ensure compliance with statutory and regulatory requirements and economic/efficient/effective deployment of resources to achieve priority objectives, national targets, etc.	Service Risk Register	2014-15	Substantial	12		
Neighbourhood Services	Street Cleansing	Appraisal of planning and contract administration to ensure that street cleansing services are delivered to the requisite standards in an economic, efficient and effective manner.	Service Risk Register	2013-14	Moderate	14		
Neighbourhood Services	Car Parking	Appraisal of management systems for developing and operating car parking facilities to ensure economic, efficient and effective deployment of resources to achieve the Council's priority objectives.	Service Risk Register	2015-16	Substantial		✓	
Neighbourhood Services	Bereavement Services	Assess adequacy of controls in place to ensure economic, efficient and effective management of burial and cremation services and integrity of operational systems and statutory records.	Service Risk Register	2016-17	Substantial			✓
Neighbourhood Services	Grounds Maintenance	Appraisal of processes for determining grounds maintenance requirements, scheduling, setting standards and contract management.	Service Risk Register	2016-17	Substantial			✓
Corporate Functions	Equality and Diversity	Report a level of assurance on the adequacy of the corporate framework for facilitating the fulfilment of the Council's duties under the Equalities Act 2010.	Service Risk Register	2016-17	Substantial			✓

STRATEGIC AUDIT PLAN 1ST APRIL 2017 TO 31ST MARCH 2020

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2017/18 (Days)	2018-19	2019-20
Corporate Functions	Corporate Health and Safety	Report a level of assurance on the adequacy of corporate systems in place to meet the Council's statutory obligations on health and safety as employer and provider of services and facilities to customers and the public.	Service Risk Register	2016-17	Substantial			✓
Corporate Functions	Safeguarding Children and Vulnerable Adults	Report a level of assurance on the adequacy of corporate systems in place to meet the Council's statutory obligations on safeguarding children and vulnerable adults.	None Specific	2016-17	Substantial			✓
						TOTAL	287	
						Add estimate for IT audit	20	
						GRAND TOTAL	307	

STRATEGIC AUDIT PLAN 1ST APRIL 2017 TO 31ST MARCH 2020

OTHER FUNCTIONS AND RESOURCE BALANCING

Category	Function	Days (2017-18)
Ongoing Advisory Input and Non-Audit Duties	Anti-Fraud and Corruption Framework	10
	National Fraud Initiative	15
	Sundry Advice & Consultancy	25
Contingency Audit Work	(Miscellaneous assignments)	20
Contingency Non-Audit Work	(Miscellaneous assignments)	10
	TOTAL OTHER FUNCTIONS	80
	TOTAL RISK BASED COVERAGE	28
	TOTAL COVERAGE FOR EXTERNAL REQUIREMENTS	44
	TOTAL OTHER AUDIT COVERAGE	307
	TOTAL AUDIT DAYS REQUIRED	459
	TOTAL INTERNAL AUDIT DAYS AVAILABLE	359
	ESTIMATED DAYS CONTRACTED OUT (IT AUDIT)	100
	Total Estimated Resources Available	459
	SURPLUS / SHORTFALL (-)	0

Internal Audit Charter

Introduction

The Public Sector Internal Audit Standards require the Council to have an Internal Audit Charter that must be approved by Senior Management and the Audit Committee (or its equivalent). The Charter defines the purpose, authority and responsibility of Internal Audit. It also sets out the nature of the Chief Audit Executive's¹ functional relationship with the board² as well as the rights of access to records, personnel and physical properties relevant to internal audit engagements.

Purpose of Internal Audit

The Chartered Institute of Internal Auditors defines internal audit as follows:

"Internal auditing is an independent, objective assurance and consulting activity³ designed 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."

Statutory Basis of Internal Audit

Within local government there is a statutory requirement for an internal audit function. The 2003 Accounts and Audit Regulations (as amended by the 2006, 2009, 2011 and 2015 Regulations) require that "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."

In addition, the Council's Chief Finance Officer (the Head of Finance) has a statutory duty under Section 151 of the Local Government Act 1972 to "make arrangements for the proper administration of the authority's financial affairs". This assumes, amongst other duties, provision of an effective internal audit

¹ This is the generic title used in the Public Sector Internal Audit Standards to describe the head of internal audit at an organisation. At WDC this officer is the Audit and Risk Manager.

² In the Council's case this is held to be the Finance and Audit Scrutiny Committee

³ An assurance engagement is an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation. Examples of the types of engagements that would be considered assurance engagements include financial, performance, and compliance audits. Consulting activities are advisory and related client service activities, the nature and scope of which are agreed upon with the client and which are intended to add value and improve an organisation's operations without the internal auditor assuming management responsibility. Consulting activities includes such activities as conducting internal control training, providing advice to management about the control concerns in new systems, drafting policies, and participating in quality teams.

function. The S151 Officer relies, amongst other sources, upon the work of internal audit in reviewing the operation of systems of internal control and financial management.

Role

Internal Audit's responsibilities are defined by the Finance and Audit Scrutiny Committee, via this Charter, as part of their oversight role. Internal audit activity is approved and overseen by the Finance and Audit Scrutiny Committee.

Internal Audit may undertake consultancy activity (additional work requested by management) where it has the necessary skills and resources to do this, and this will be determined by the Audit and Risk Manager on a case-by-case basis.

Professionalism

Internal Audit complies with the Public Sector Internal Audit Standards. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of Internal Audit's performance.

In addition, Internal Audit will adhere to the Council's relevant policies and procedures as well as its own operating procedures set out in its Internal Audit Manual.

Authority

Internal Audit, with strict accountability for confidentiality and safeguarding records and information, has full and unrestricted access to all of the organisation's records, physical properties, and personnel pertinent to carrying out any engagement. All employees are required to assist Internal Audit in fulfilling its roles and responsibilities.

Internal Audit also has free and unrestricted access to the Finance and Audit Scrutiny Committee and senior management.

Organisation

Internal Audit has direct access to senior management, the Finance and Audit Scrutiny Committee, the Chief Executive and the Leader of the Council. The Section 151 Officer and the Finance and Audit Scrutiny Committee will jointly agree the level of internal audit resource to be deployed at the Council. The Audit and Risk Manager will communicate and interact directly with the senior management and the Finance and Audit Scrutiny Committee.

For line management purposes, the Audit and Risk Manager will report to the post of Head of Finance at Warwick District Council. The Chief Executive will approve all decisions regarding the performance evaluation of the Audit and Risk Manager as part of the Council's Performance Management Framework.

For the purposes of the internal auditing function, the following groups are defined:

Finance and Audit Scrutiny Committee

The Finance and Audit Scrutiny Committee is responsible for overseeing the effectiveness of the internal audit function, and holding the Audit and Risk Manager to account for delivery, through the receipt of regular reports and updates. The Finance and Audit Scrutiny Committee is responsible for the effectiveness of the governance, risk and control environment within the Council, holding managers to account for delivery.

Senior Management⁴

Senior management is responsible for helping to shape the programme of assurance work through analysis and review of key risks. Senior management is responsible for responding to reports issued by Internal Audit and for implementing recommendations within agreed timescales.

Independence and Objectivity

Internal Audit will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement.

The Audit and Risk Manager will confirm to the Finance and Audit Scrutiny Committee, at least annually, the organisational independence of Internal Audit.

Conflicts of Interest

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others when forming judgements.

In addition to the ethical requirements of the various professional bodies, each auditor is required to declare proactively any potential 'conflict of interest' prior to the commencement of each audit assignment.

All auditors are required to sign an annual declaration of interest to ensure that the allocation of audit work avoids conflict of interest. Auditors who undertake any consultancy work will be prohibited from auditing those areas. Audits are rotated within the team to avoid over-familiarity and complacency.

⁴ Senior management comprises the members of the Senior Management Team i.e. the Chief Executive, the Deputy Chief Executives and the Heads of Services.

Responsibility and Scope

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives. Internal control objectives considered by internal audit extend to the entire control environment of the organisation and include:

- Consistency of operations with established objectives and goals
- Effectiveness and efficiency of operations and employment of resources
- Compliance with significant policies, plans, procedures, laws, and regulations
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information
- Safeguarding of assets

Internal Audit is responsible for evaluating all processes ('audit universe') of the organisation including governance processes and risk management processes. It also assists the Finance and Audit Scrutiny Committee in evaluating the quality of performance of external auditors and ensuring a proper degree of coordination with internal audit is maintained.

Due to its detailed knowledge and understanding of risks and controls, internal audit is well placed to provide advice and support on emerging risks and issues. As a result, internal audit may perform consulting and advisory services as appropriate for the organisation. It may also evaluate specific operations at the request of the Finance and Audit Scrutiny Committee and senior management, as appropriate.

Based on its activity, internal audit is responsible for reporting significant risk exposures and control issues identified to the Finance and Audit Scrutiny Committee and to senior management, including fraud risks, governance issues, and other matters requested by these bodies. This can include the results of investigations, whether related to the conduct of staff or otherwise. This ensures Internal Audit plays a key role in providing assurance to the Finance and Audit Scrutiny Committee and senior management on the effectiveness of the entire control environment.

Role in Anti-Fraud

The work programme of Internal Audit is designed, in part, to help deter fraud and corruption. With this in view, Internal Audit bases its planning on regular risk assessment, and works with senior managers and the Finance and Audit Scrutiny Committee in determining its programme of work.

Internal Audit will also share information with relevant partners, where lawful and appropriate, to increase the likelihood of detecting fraudulent activity and reduce the risk of fraud to all. This includes co-ordinating the statutory data matching processes and investigations arising under the National Fraud Initiative.

The Audit and Risk Manager must be notified immediately of all suspected or detected fraud, corruption or impropriety so that the impact upon control arrangements can be evaluated.

Internal Audit Plan

At least annually, the Audit and Risk Manager will submit to the Finance and Audit Scrutiny Committee an Internal Audit Plan for review and approval. The Internal Audit Plan will include timing as well as budget and resource requirements for the next financial year. The Audit and Risk Manager will communicate the impact of resource limitations and significant interim changes to senior management and the Finance and Audit Scrutiny Committee.

The Internal Audit Plan will be developed based on a prioritisation of the audit universe using a risk-based methodology and on extensive consultation with stakeholders, including the Council's managers.

Any significant deviation from the approved internal audit plan will be communicated through the periodic activity reporting process.

Reporting and Monitoring

The Audit and Risk Manager will arrange for a written report to be prepared and issued following the conclusion of each internal audit engagement; this will be distributed as appropriate.

The internal audit report will include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations.

Management's response will include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

Internal Audit will be responsible for appropriate follow-up on engagement findings and recommendations and will report to the Finance and Audit Scrutiny Committee on the results of this activity.

The Audit and Risk Manager will consider any request from external stakeholders for reports on the results of internal audit activity, in consultation with senior management.

The Audit and Risk Manager will arrange for quarterly update reports to the Finance and Audit Scrutiny Committee to advise on the results of each internal audit engagement, and provide an annual report to the Finance and Audit Scrutiny Committee giving an opinion on the internal control environment.

Periodic Assessment

In accordance with the Public Sector Internal Audit Standards a review of the effectiveness of internal audit will be performed at least once every five years.

Review of the Audit Charter

This Charter will be subject to annual review by the Audit and Risk Manager and any changes will be presented to Finance and Audit Scrutiny Committee for approval.

 Finance and Audit Scrutiny Committee 4 April 2017		Agenda Item No. <h1 style="text-align: center;">5</h1>
Title	External Audit Reports	
For further information about this report please contact	Mike Snow 01926 456800	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	22/3/2017	Andrew Jones
Head of Service	22/3/2017	Mike Snow
CMT	22/3/2017	
Section 151 Officer	22/3/2017	Mike Snow
Monitoring Officer	22/3/2017	Andrew Jones
Finance	22/3/2017	Mike Snow
Portfolio Holder(s)	22/3/2017	Cllr Peter Whiting
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?	Yes/No	
Suggested next steps (if not final decision please set out below)		

1. **Summary**

1.1 Grant Thornton, the Council's external auditors have recently submitted the following two items for the Committee's consideration:-

- Informing the audit risk assessment for Warwick District Council
- The Audit Plan for Warwick District Council year ended 31 March 2017

2. **Recommendation**

2.1 That the Finance and Audit Scrutiny Committee considers the documents from the external auditors and make any relevant observations.

3. **Reasons for the Recommendation**

3.1 The Audit Plan for the 2016/17 audit is presented. This includes details of the approach to be followed in carrying out the audit, and also some of the key risks that will be considered.

3.5 "Informing the audit risk assessment". In planning and performing the audit of the financial statements the auditors need to understand how the Finance & Audit Scrutiny Committee, as "those charged with governance", supported by the Council's officers, meets its responsibilities in the following areas:-

- fraud
- laws and regulations
- going concern
- accounting for estimates
- related party transactions.

The accompanying external auditor's report summarises the respective responsibilities of the Finance & Audit Scrutiny Committee, officers and external audit in each of these areas, as set out by International Standards on Auditing (UK and Ireland) (ISAs).

4. **Policy Framework**

4.1 By considering the documents, members can see how external audit can assist the Council in its priority of managing the Council's resources effectively and ensuring its services are of a high quality.

5. **Budgetary Framework**

5.1 The fee charged for the Annual Audit of the Accounts, and associated work is £53,623, this being the same as for 2015/16. Grant Claims are charged in addition to this with an indicative fee of £6,398, this being for the Housing Benefit Subsidy Audit. In addition there is the audit of the Pooled Capital Receipts return, estimated at £3,000, although this is outside the scope of this Audit Plan.

6. **Risks**

6.1 The audit of the accounts and associated grant claims seeks to provide assurance to all stakeholders that the Council's finances, as reported in the Accounts, are being properly managed.

7. Alternative Option(s) considered

7.1 None

8. Other Information

8.1 The current appointment of Grant Thornton is due to end 2017/18. The auditors will complete all the work on the 2017/18 Accounts and associated documents. New auditors need to be appointed ahead of 2018/19, by the end of 2017. The Council agreed in January for the Council to be part of the framework being procured by Public Sector Audit Appointments (PSAA). As part of closing the Audit Commission the Government novated external audit contracts to PSAA on 1 April 2015. Nationally, 483 of the 492 (98%) eligible bodies have opted to become members of the scheme.

8.2 The immediate next steps of the PSAA include:-

1. Completing the major procurement process to identify the firms which will carry out audits under contract to PSAA. The successful suppliers are expected to be announced in June.

2. Undertaking the consultation process which will precede the appointment of auditors to individual scheme member authorities. PSAA are committed to ensuring that all appointments are made before the statutory deadline of 31 December, 2017.

3. Undertaking a further consultation process, commencing in October 2017, leading to the approval of fee scales for audits of the 2018/19 accounts, the first year of the national scheme's operation.

8.3 There is no provision within the legislation for PSAA to make arrangements for housing benefit subsidy certification work on behalf the Department of Work and Pensions. PSAA are committed to assisting the DWP to develop appropriate successor arrangements in this area and ensuring that this transition is handled as effectively and seamlessly as possible. Whilst it is expected more guidance and support will be provided here, discussions are on-going with neighbouring authorities to consider a joint procurement if it subsequently proves necessary for local authorities to make their own appointment of auditor for the housing benefits subsidy.

Informing the audit risk assessment for Warwick District Council

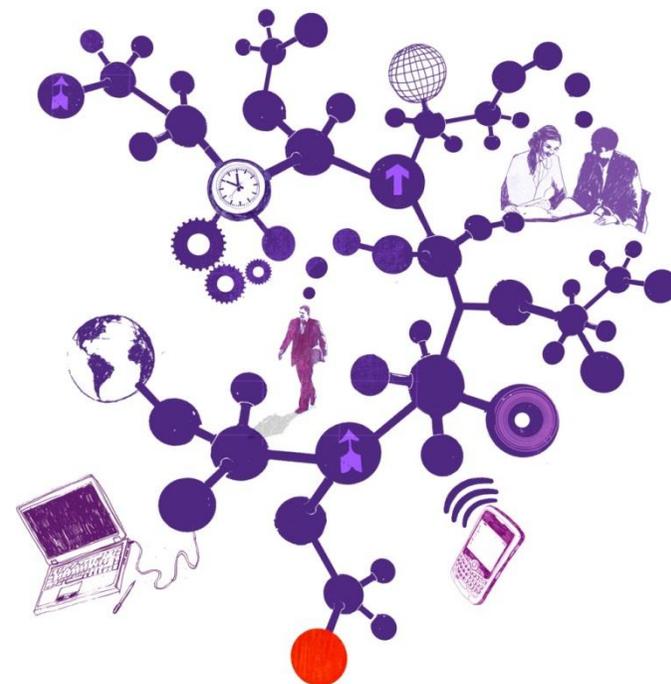
Year ended

31 March 2017

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Purpose

The purpose of this report is to contribute towards the effective two-way communication between the Authority's external auditors and the Authority's Finance and Audit Scrutiny Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Finance and Audit Scrutiny Committee under auditing standards.

Background

Under International Standards on Auditing (UK and Ireland) (ISA(UK&I)) auditors have specific responsibilities to communicate with the Finance and Audit Scrutiny Committee. ISA(UK&I) emphasise the importance of two-way communication between the auditor and the Finance and Audit Scrutiny Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Finance and Audit Scrutiny Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Finance and Audit Scrutiny Committee and supports them in fulfilling its responsibilities in relation to the financial reporting process.

Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the Finance and Audit Scrutiny Committee's oversight of the following areas:

- fraud
- laws and regulations
- going concern
- accounting estimates
- related parties.

This report includes a series of questions on each of these areas and the response we have received from the Authority's management. The Finance and Audit Scrutiny Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

Fraud

Issue

Matters in relation to fraud

ISA(UK&I)240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Finance and Audit Scrutiny Committee and management. Management, with the oversight of the Finance and Audit Scrutiny Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As the Authority's external auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud
- process for identifying and responding to risks of fraud, including any identified specific risks
- communication with the Finance and Audit Scrutiny Committee regarding its processes for identifying and responding to risks of fraud
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Finance and Audit Scrutiny Committee oversees the above processes. We are also required to make inquiries of both management and the Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from the Authority's management.

Fraud risk assessment

Question	Management response
Has the Authority assessed the risk of material misstatement in the financial statements due to fraud or error? What are the results of this process?	The financial statements are subject to internal quality assurance checks which are carried out by the Head of Finance and Strategic Finance Manager. The monthly review of Service Revenue and Capital budgets will identify any material risk of material misstatement.
What processes does the Authority have in place to identify and respond to risks of fraud?	All suspected cases of fraud, theft, corruption should be notified to Head of Finance or the Audit & Risk Manager. Anti Fraud & Corruption and Whistle Blowing Policies in place.
Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?	Investigations of suspected fraud, as a result of cases brought to the attention of the Head of Finance or Audit and Risk Manager, are carried out by the Internal Audit team. No Significant Fraud risk identified. Locations handling income, particularly in the form of cash, are more likely to be at risk of fraud. However, as noted above, these are not significant.

Fraud risk assessment (continued)

Question	Management response
<p>Are internal controls, including segregation of duties, in place and operating effectively? If not, where are the risk areas and what mitigating actions have been taken?</p>	<p>Sound systems of internal control with roles and responsibilities are defined in various places such as the Constitution, Code of Financial Practice and Code of Procurement Practice. The updated Code of Procurement Practice was agreed by full Council in April 2016, and the updated Code of Financial Practice in April 2015. The role of internal audit provides assurance that the Council's Internal Controls are in place. Annually, the Audit & Risk Manager provides an opinion on the Council's control environment.</p> <p>Services controls e.g. segregation of duties of officers to mitigate fraud, are in place to support the Council's Anti-Fraud and Corruption Strategy and Whistle Blowing Policy.</p> <p>There is a strong risk management culture, with Finance & Audit Scrutiny Committee actively involved in reviewing Service Risk Registers.</p>
<p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets) ?</p>	<p>None known.</p>
<p>Are there any areas where there is a potential for misreporting override of controls or inappropriate influence over the financial reporting process ?</p>	<p>None known.</p>
<p>How does the Finance and Audit Scrutiny Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control? What arrangements are in place to report fraud issues and risks to the Finance and Audit Scrutiny Committee?</p>	<p>The reporting of fraud issues to Finance & Audit Scrutiny Committee is made by various methods ; i) Investigation reports by the Audit and Risk Manager, as a result of the Whistleblowing Policy; ii) Reports by the Head of Finance; and iii) Annual Governance Statement report for Internal Control to mitigate fraud risk.</p>

Fraud risk assessment (continued)

Question	
<p>How does the Authority communicate and encourage ethical behaviour of its staff and contractors?</p>	<p>The updated code of conduct for members and employees outlines the Council's expectations for business practice and ethical behaviour.</p>
<p>How do you encourage staff to report their concerns about fraud? Have any significant issues been reported ?</p>	<p>Employees should be aware of the anti-fraud and corruption strategy, details are available on the Intranet and induction training for all new staff covers fraud and corruption awareness. The Audit & Risk Manager investigates all cases of suspected fraud.</p>
<p>Are you aware of any related party relationships or transactions that could give rise to risks of fraud ?</p>	<p>Most of the related party transactions that could give rise to potential fraud are those in which Councillors have a direct interest. Risks are mitigated by Councillors' declaration of interests and non-participation in debates. Officers are also expected to declare any potential interest or conflict. Tightened procedures now operate within Housing & Property Services.</p>
<p>Are you aware of any instances of actual, suspected or alleged fraud, either within the Authority as a whole or within specific departments since 1 April 2016 ?</p>	<p>No.</p>
<p>Are you aware of any whistleblower reports or reports under the Bribery Act since 1 April 2016 ? If so, how has the Finance and Audit and Scrutiny Committee responded to these ?</p>	<p>No.</p>

Laws and regulations

Issue

Matters in relation to laws and regulations

ISA(UK&I)250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Finance and Audit Scrutiny Committee, is responsible for ensuring that the Authority's operations are conducted in accordance with laws and regulations including those that determine amounts in the financial statements.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Finance and Audit Scrutiny Committee as to whether the entity is in compliance with laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out below together with responses from management.

Impact of laws and regulations

Question	Management response
What arrangements does the Authority have in place to prevent and detect non-compliance with laws and regulations ?	<p>The Council has arrangements in place for legal advice to be provided by Warwickshire County Council.</p> <p>Employees are expected to keep themselves updated of laws and regulations related to their area of work.</p> <p>Suspected non-compliances with laws and regulations will be investigated.</p>
How does management gain assurance that all relevant laws and regulations have been complying with?	Through effective governance processes and review mechanisms such as internal audit. The Monitoring Officer will advise the Council's Corporate Management team and Councillors as appropriate.
How is the Finance and Audit Scrutiny Committee provided with assurance that all relevant laws and regulations have been complied with ?	Statement of assurance which is reported to Finance & Audit Scrutiny Committee.
Have there been any instances of non-compliance or suspected non-compliance with laws and regulations since 1 April 2016, or earlier with an on-going impact on the Authority's 2016/17 financial statements ?	No.
What arrangements does the Authority have in place to identify, evaluate and account for litigation or claims ?	All potential insurance claims should be notified by officers to the Council's Insurance and Risk Officer.
Is there any actual or potential litigation or claims that would affect the financial statements ?	There are no material potential claims.

Impact of laws and regulations (continued)

Question	Management response
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance ?	No.

Going Concern

Issue

Matters in relation to going concern

ISA(UK&I)570 covers auditor responsibilities in the audit of financial statements relating to management's use of the going concern assumption in the financial statements.

The going concern assumption is a fundamental principle in the preparation of financial statements. Under this assumption entities are viewed as continuing in business for the foreseeable future. Assets and liabilities are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

Going concern considerations have been set out below and management has provided its response.

Going concern considerations

Question	Management response
Does the Authority have procedures in place to assess the Authority's ability to continue as a going concern ?	The Council maintains up to date five year financial projections for the General fund and a 50 year HRA Business Plan. These are constantly updated and periodically reported to members and officers. Projections are also held of future level of reserves. Alongside this, potential financial liabilities are monitored. Accordingly, the authority is able to assess any future surplus/deficit and its ability to continue as a going concern.
Is management aware of the existence of other events or conditions that may cast doubt on the Authority's ability to continue as a going concern ?	The financial projections (January 2017), based on current assumptions show the Council needs to find additional savings of over £800k on its revenue budget so as to be able to maintain existing services . The most recent projections show that savings plans are in place for a significant proportion of this, however these savings still need to be delivered. Also, the Council needs to invest major sums in its corporate assets in future years so as to be able to ensure future service provision.
Are arrangements in place to report the going concern assessment to the Finance and Audit Scrutiny Committee ?	The financial projections and liabilities are reported to the Executive. These reports are scrutinised by the Finance & Audit Scrutiny Committee.
Are the financial assumptions in that report (e.g. future levels of income and expenditure) consistent with the Authority's Business Plan and the financial information provided to the Authority throughout the year ?	Yes, but assumptions will need to change over the year, as the MTFS is a living document. Any changes to assumptions are explained within the reports to Executive.
Are the implications of statutory or policy changes appropriately reflected in the Business Plan, financial forecasts and report on going concern ?	Yes. All known changes which impact upon the financial projections will be factored in.

Going concern considerations (continued)

Question	Management response
<p>Have there been any significant issues raised with the Finance and Audit Scrutiny Committee during the year which could cast doubts on the assumptions made ? (Examples include adverse comments raised by Internal Audit regarding financial performance or significant weaknesses in systems of financial control).</p>	<p>No. Recent favourable Internal Audit report on the Financial Planning gave Substantial Assurance.</p>
<p>Does a review of available financial information identify any adverse financial indicators including negative cash flow ? If so, what action is being taken in improve financial performance ?</p>	<p>No. See earlier comments on projected long term shortfall.</p>
<p>Does the Authority have sufficient staff in post, with the appropriate skills and experience, particularly at senior manager level, to ensure the delivery of the Authority's objectives ? If not, what action is being taken to obtain those skills ?</p>	<p>Sufficient staff in post with the appropriate skills and experience.</p>

Related Parties

Issue

Matters in relation to Related Parties

Local Authorities are required to comply with IAS 24 and disclose transactions with entities/individuals that would be classed as related parties. These may include:

- entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the authority (i.e. subsidiaries);
- associates;
- joint ventures;
- an entity that has an interest in the authority that gives it significant influence over the authority;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the authority, or of any entity that is a related party of the authority.

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the Authority perspective but material from a related party viewpoint then the Authority must disclose it.

ISA (UK&I) 550 requires us to review your procedures for identifying related party transactions and obtain an understanding of the controls that you have established to identify such transactions. We will also carry out testing to ensure the related party transaction disclosures you make in the financial statements are complete and accurate.

Question

What controls does the Authority have in place to identify, account for and disclose related party transactions and relationships ?

Management response

Senior Officers and Councillors do not participate in decisions where they are a related party.
Annual accounts disclosures for related parties and transactions are reviewed for completeness by the General Fund Accountant.

Accounting estimates

Issue
<p>Matters in relation to accounting estimates</p> <p>Local Authorities apply appropriate estimates in the preparation of their financial statements. ISA (UK&I) 540 sets out requirements for auditing accounting estimates. The objective is to gain evidence that the accounting estimates are reasonable and the related disclosures are adequate.</p> <p>Under this standard we have to identify and assess the risks of material misstatement for accounting estimates by understanding how the Authority identifies the transactions, events and conditions that may give rise to the need for an accounting estimate.</p> <p>Accounting estimates are used when it is not possible to measure precisely a figure in the accounts. We need to be aware of all estimates that the Authority is using as part of its accounts preparation; these are detailed in appendix 1 to this report. The audit procedures we conduct on the accounting estimate will demonstrate that:</p> <ul style="list-style-type: none">• the estimate is reasonable; and• estimates have been calculated consistently with other accounting estimates within the financial statements. <p>We would ask the Finance and Audit Scrutiny Committee to satisfy itself that the arrangements for accounting estimates are adequate.</p>

Question	Management response
Are the management arrangements for the accounting estimates, as detailed in Appendix A reasonable ?	Yes. Where estimation is necessary, appropriate estimating methodology is utilised. Estimates will be prepared by those best qualified, e.g. Pension Fund Actuary to supply estimates relating to IAS 19 – Employee Benefits, assets professionally valued.
How is the Finance and Audit Scrutiny Committee provided with assurance that the arrangements for accounting estimates are adequate ?	Details of estimates disclosed in accounting policies within Accounts. Finance & Audit Scrutiny Committee consider this document initially when signed by the S151 Officer and ahead of signing off by the Council.

Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Property valuations	Property valuations are made by the external valuer from the Carter Jonas. Significant Heritage Assets valued by external valuer. Minor valuations provided by Art Gallery & Museum staff.	Valuer notified of changes to the estate from the prior year	Use the external valuer (RICS qualified) from Carter Jonas for PPE. Significant Heritage Assets valued by external valuer. Minor valuations provided by Art Gallery & Museum staff..	Valuations are made in-line with the CIPFA Code of Practice guidance - reliance on expert	No
Estimated remaining useful lives of PPE	Assets are assigned to asset categories with appropriate asset lives.	Consistent asset lives applied to each asset category.	Use the external valuer (RICS qualified) from Carter Jonas	The useful lives of property are recorded in accordance with the recommendations of the external RICS qualified valuer.	No
Depreciation	Depreciation is provided for on property plant and equipment with a finite useful life on a straight-line basis	Consistent application of depreciation method across assets	No	The length of the life is determined at the point of acquisition or revaluation.	No

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Impairments	Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.	Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.	Use the external valuer (RICS qualified) from Carter Jonas. Reliance on Art Gallery & Museum staff to assess whether or not a Heritage Asset needs to be impaired. If necessary, revised valuation will be provided by suitably qualified person.	Valuations are made in-line with the CIPFA Code of Practice guidance - reliance on expert	No
Provision for doubtful debts	A provision is estimated using a proportion basis of an aged debt listing..	The finance team calculate the provision.	No	Consistent proportion used across debt.	No

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Measurement of Financial Instruments	Measurements are obtained from appropriate sources. The Authority follows the requirements of the CIPFA Code of Practice.	The financial instruments are measured by the Treasury Accountant and the accounts are reviewed by the Strategic Finance Manager .	No	The measurements are based upon the best information held at the current time and are provided by experts in their field.	No
Creditor accruals	Accruals are estimated by reviewing goods and services received prior to the end of the financial year for which an invoice has not been received.	The date of receipt of the goods and services is used in the estimation of the accrual.	No	The use of actual dates of receipt of goods and services gives a low degree of uncertainty.	No
Pension Fund Actuarial gains/losses	The actuarial gains and losses figures are calculated by the actuarial experts(Hymans Robertson) These figures are based on making % adjustments to the closing values of assets/liabilities.	For the LGPS the Authority responds to queries raised by the administering authority Warwickshire County Council.	The Authority are provided with an actuarial report by Hymans Robertson (LGPS) .	The nature of these figures forecasting into the future are based upon the best information held at the current time and are developed by experts in their field.	No

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Overhead allocation	The accountants apportion central support costs to services based on appropriate bases.	All support service cost centres are allocated according to the agreed processes.	No	Appropriate bases are reviewed each year to ensure equitable.	No



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The Audit Plan for Warwick District Council

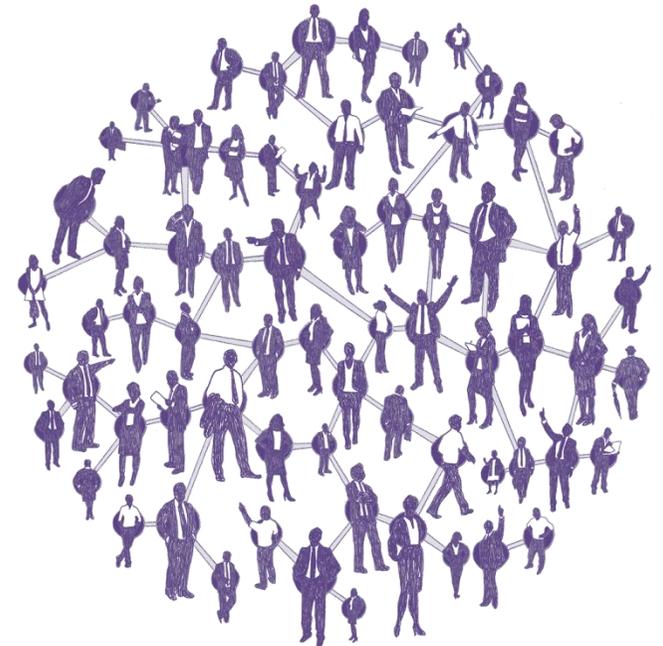
Year ended 31 March 2017

4 April 2017

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4 April 2017

Dear Members of the Finance and Audit Scrutiny Committee

Audit Plan for Warwick District Council for the year ending 31 March 2017

This Audit Plan sets out for the benefit of those charged with governance (in the case of Warwick District Council, the Finance and Audit Scrutiny Committee as a sub group of those charged with governance), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the Council and your environment. The contents of the Plan have been discussed with management.

We are required to perform our audit in line with Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015. Our responsibilities under the Code are to:

- give an opinion on the Council's financial statements
- satisfy ourselves the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements which give a true and fair view.

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change. In particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We look forward to working with you during the course of the audit.

Yours sincerely

Grant Patterson
Engagement Lead

Chartered Accountants

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Understanding your business and key developments

Developments

Highways network asset (HNA)

On the 14 November, 2016 CIPFA/LASAAC announced a deferral of measuring the Highways Network Asset at Depreciated Replacement Cost in local authority financial statements for 2016/17. This deferral is due to delays in obtaining updated central rates for valuations.

CIPFA/LASAAC will review this position at its meeting in March 2017 with a view to implementation in 2017/18. It currently anticipates that the 2017/18 Code will be on the same basis as planned for 2016/17. For this to apply the authority needs to determine if it has transport infrastructure assets and if they are part of an interconnected network. CIPFA expects that this will mean only Highways authorities will be covered and that there will be limited impact on the accounts for district councils.

Major Projects

The Council is working on a number of major projects to ensure that the budget is sustainable in future years. As part of the VFM conclusion we will review how the projects are progressing and whether they are likely to achieve the contribution to the MTFP as planned.

Treasury management

The council currently has a healthy cash balance which it is looking at how best to invest to maximise the returns for the authority, while ensuring they are exposed to minimal risk.

Key challenges

Autumn Statement

The Chancellor detailed plans in the Autumn Statement to increase funding for Housing and Infrastructure, and further extend devolved powers to Local Authorities. No plans were announced to increase funding for adult social care.

Medium Term financial plan

A savings target of £977k was identified for 2016/17, which the Council is making good progress against. While there are plans in the medium term to achieve a balanced budget, this will involve the delivery of a number of major projects for the Council. A critical year will be 2020/21 when a number of major contracts are due for renewal.

Key performance indicators

Measure	Value	Trend
Base Budget 2017/18	£12.8m	↑
Council tax increase	3.40%	↓
Latest 2016/17 net expenditure budget	£12.0m	↓

Financial reporting changes

CIPFA Code of Practice 2016/17 (the Code)

Changes to the Code in 2016/17 reflect aims of the 'Telling the Story' project, to streamline the financial statements to be more in line with internal organisational reporting and improve accessibility to the reader of the financial statements.

The changes affect the presentation of the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statements, segmental reporting disclosures and a new Expenditure and Funding Analysis note has been introduced. The Code also requires these amendments to be reflected in the 2015/16 comparatives by way of a prior period adjustment.

Earlier shutdown

The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 July by the 2017/2018 financial year.

Group boundary

As part of the 2015/16 audit the council undertook an assessment to evaluate whether relevant entities over which the Council may potentially use its powers, should fall within group accounting boundaries. PSP Warwick LLP and Waterloo housing group were considered and no group account disclosure was required based on the assessment. The council should continue to assess these relationships, particularly with the further developments of PSP

Our response

- We aim to complete all our substantive audit work of your financial statements by July 2017
- As part of our opinion on your financial statements, we will consider whether your financial statements accurately reflect the financial reporting changes in the 2016/17 Code
- We will review the Council's progress in managing and delivering significant projects as part of our work in reaching our VFM conclusion..
- We will keep you informed of changes to the financial reporting requirements for 2016/17 through on-going discussions and invitations to our technical update workshops.

Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. An item does not necessarily have to be large to be considered to have a material effect on the financial statements. An item may be considered to be material by nature, for example, when greater precision is required (e.g. senior manager salaries and allowances).

We determine planning materiality (materiality for the financial statements as a whole determined at the planning stage of the audit) in order to estimate the tolerable level of misstatement in the financial statements, assist in establishing the scope of our audit engagement and audit tests, calculate sample sizes and assist in evaluating the effect of known and likely misstatements in the financial statements.

We have determined planning materiality based upon professional judgement in the context of our knowledge of the Council. In line with previous years, we have calculated financial statements materiality based on a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £1,258k (being 2% of gross revenue expenditure). Our assessment of materiality is kept under review throughout the audit process and we will advise you if we revise this during the audit.

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. "Trivial" matters are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £62,900

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'. We have identified the following items where separate materiality levels are appropriate:

Balance/transaction/disclosure	Explanation	Materiality level
Disclosures of officers' remuneration, salary bandings and exit packages in the notes to the financial statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£20,000
Related party transactions	Due to public interest in these disclosures and the statutory requirement for them to be made. In setting a materiality level these will be considered on a case by case basis as this will be determined not only on the basis of materiality for the council, but also for the third party	£20,000

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK and Ireland) 320)

Significant risks identified

An audit is focused on risks. Significant risks are defined by ISAs (UK and Ireland) as risks that, in the judgment of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Description	Audit procedures
<p>The revenue cycle includes fraudulent transactions</p>	<p>Under ISA (UK and Ireland) 240 there is a presumed risk that revenue streams may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Warwick District Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Warwick District Council, mean that all forms of fraud are seen as unacceptable <p>Therefore we do not consider this to be a significant risk for Warwick District Council.</p>
<p>Management over-ride of controls</p>	<p>Under ISA (UK and Ireland) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p>	<p>Work completed to date:</p> <ul style="list-style-type: none"> • Review of accounting estimates, judgments and decisions made by management • Review of journal entry process and control environment <p>Further work planned:</p> <ul style="list-style-type: none"> • Further review of accounting estimates, judgments and decisions made by management • Selection of unusual journal entries for testing back to supporting documentation • Review of unusual significant transactions

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK and Ireland) 315) . In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK and Ireland) 550)

Significant risks identified (continued)

Significant risk	Description	Audit procedures
<p>Valuation of pension fund net liability</p>	<p>The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.</p>	<p>Work planned:</p> <ul style="list-style-type: none"> • We will identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. • We will review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out. • We will undertake procedures to confirm the reasonableness of the actuarial assumptions made. • We will review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.
<p>Changes to the presentation of local authority financial statements</p>	<p>CIPFA has been working on the 'Telling the Story' project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 Code of Practice.</p> <p>The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.</p>	<p>Work completed to date:</p> <ul style="list-style-type: none"> • We have documented and evaluated the process for the recording the required financial reporting changes to the 2016/17 financial statements. • We have reviewed the re-classification of the Comprehensive Income and Expenditure Statement (CIES) comparatives to ensure that they are in line with the Authority's internal reporting structure. • We have reviewed the appropriateness of the revised grouping of entries within the Movement In Reserves Statement (MIRS). <p>Further work planned:</p> <ul style="list-style-type: none"> • We will test the classification of income and expenditure for 2016/17 recorded within the Cost of Services section of the CIES. • We will test the completeness of income and expenditure by reviewing the reconciliation of the CIES to the general ledger. • We will test the classification of income and expenditure reported within the new Expenditure and Funding Analysis (EFA) note to the financial statements. • We will review the new segmental reporting disclosures within the 2016/17 financial statements to ensure compliance with the CIPFA Code of Practice.

Other risks identified

Reasonably possible risks (RPRs) are, in the auditor's judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR or other risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

Reasonably possible risks	Description of risk	Audit procedures
Operating expenses	Year end creditors and accruals are understated or not recorded in the correct period.	<p>Work completed to date:</p> <ul style="list-style-type: none"> We have conducted a walkthrough of the key controls for this system We have held discussions with appropriate personnel to obtain and document a detailed understanding of the accruals process <p>Further work planned:</p> <ul style="list-style-type: none"> We plan to test a sample of payments made after year end to ensure that liabilities have been recorded in the correct period We will test a sample of goods received but not yet invoiced to identify any items which have not been accrued for correctly
Employee remuneration	Employee remuneration accruals are understated	<p>Work completed to date:</p> <ul style="list-style-type: none"> We have conducted a walkthrough of the key controls for this system We have completed a trend analysis up to Month 9 of monthly payroll data We have tested a sample of employee remuneration payments up to month 9 to ensure they have been calculated and accounted for correctly <p>Further work planned:</p> <ul style="list-style-type: none"> We will perform a reconciliation to ensure that information from the payroll system can be agreed to the general ledger and financial statements We will complete the trend analysis to cover the whole of the financial year We will complete the sample testing to cover the whole of the financial year.

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK and Ireland) 315)

Other risks identified (continued)

Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK and Ireland) 570). We will review the management's assessment of the going concern assumption and the disclosures in the financial statements.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous sections but will include:

- Heritage assets
- Property, plant and equipment
- Assets held for sale
- Investments (long term and short term)
- Cash and cash equivalents
- Trade and other receivables
- Borrowings and other liabilities (long and short term)
- Provisions
- Useable and unusable reserves
- Movement in Reserves Statement and associated notes
- Statement of cash flows and associated notes
- Financing and investment income and expenditure
- Taxation and non-specific grants
- Officers' remuneration note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Housing Revenue Account and associated notes
- Collection Fund and associated notes

Value for Money

Background

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The National Audit Office (NAO) issued its guidance for auditors on value for money work for 2016/17 in November 2016. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

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

This is supported by three sub-criteria as set out opposite:

Sub-criteria	Detail
Informed decision making	<ul style="list-style-type: none"> Acting in the public interest, through demonstrating and applying the principles and values of sound governance Understanding and using appropriate cost and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management Reliable and timely financial reporting that supports the delivery of strategic priorities Managing risks effectively and maintaining a sound system of internal control
Sustainable resource deployment	<ul style="list-style-type: none"> Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions Managing and utilising assets effectively to support the delivery of strategic priorities Planning, organising and developing the workforce effectively to deliver strategic priorities.
Working with partners and other third parties	<ul style="list-style-type: none"> Working with third parties effectively to deliver strategic priorities Commissioning services effectively to support the delivery of strategic priorities Procuring supplies and services effectively to support the delivery of strategic priorities.

Value for Money (continued)

Risk assessment

We have carried out an initial risk assessment based on the NAO's auditor's guidance note (AGN03). In our initial risk assessment, we considered:

- our cumulative knowledge of the Council, including work performed in previous years in respect of the VfM conclusion and the opinion on the financial statements.
- the findings of other inspectorates and review agencies.
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

We have identified significant risks which we are required to communicate to you. These are set out overleaf.

Reporting

The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report and in the Annual Audit Letter.

We will include our conclusion in our auditor's report on your financial statements which we will give by 31 July 2017.

Value for money (continued)

We set out below the significant risks we have identified as a result of our initial risk assessment and the work we propose to address these risks.

Significant risk	Link to sub-criteria	Work proposed to address
<p>Medium Term Financial Plan The Council identified savings of £977k as part of the Fit for the Future plan in June 2016. The most recent review of corporate budgets produced in November 2016 identified that actual savings were forecast at £1.065m for the year end. In future years the levels of savings are not as significant until the Council reaches 2020/21. This is the year a number of the major contracts are due for renewal, and it is anticipated that this, along with other pressures, will present a significant challenge in terms of balancing the budget.</p>	<p>This links to the Council's arrangements for ensuring it plans finances effectively to support its strategic functions, and its arrangements for ensuring informed decision making.</p>	<p>We will review the Council's arrangements for identifying and agreeing savings plans, and communicating key findings to the Council and key decision making committees.</p>
<p>Significant capital projects and service transformation projects The Council's MTFP is predicated on the investment programme delivering changes to the way in which services are delivered. The programme includes a number of key projects and investments, in particular the leisure centre development programme and the relocation of riverside house, which are significant both in scale and financial terms.</p>	<p>This links to the Council's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and using appropriate cost and performance information to support informed decision making.</p>	<p>We will review the project management and risk assurance frameworks established by the Council in respect of the more significant projects, to establish how the Council is identifying, managing and monitoring these risks.</p>

Other audit responsibilities

In addition to our responsibilities under the Code of Practice in relation to your financial statements and arrangements for economy, efficiency and effectiveness we have a number of other audit responsibilities, as follows:

- We will undertake work to satisfy ourselves that the disclosures made in your Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read your Narrative Statement and check that it is consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We consider our other duties under the Act and the Code, as and when required, including:
 - We will give electors the opportunity to raise questions about your financial statements and consider and decide upon any objections received in relation to the financial statements;
 - issue of a report in the public interest; and
 - making a written recommendation to the Council, copied to the Secretary of State
- We certify completion of our audit.

Results of interim audit work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed	Conclusion
Internal audit	<p>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention.</p> <p>We have also reviewed internal audit's work on the Council's key financial systems to date. We have not identified any significant weaknesses impacting on our responsibilities.</p>	<p>Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment.</p> <p>Our review of internal audit work has not identified any weaknesses which impact on our audit approach.</p>
Entity level controls	<p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none">• Communication and enforcement of integrity and ethical values• Commitment to competence• Participation by those charged with governance• Management's philosophy and operating style• Organisational structure• Assignment of authority and responsibility• Human resource policies and practices	<p>Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements</p>

Results of interim audit work (continued)

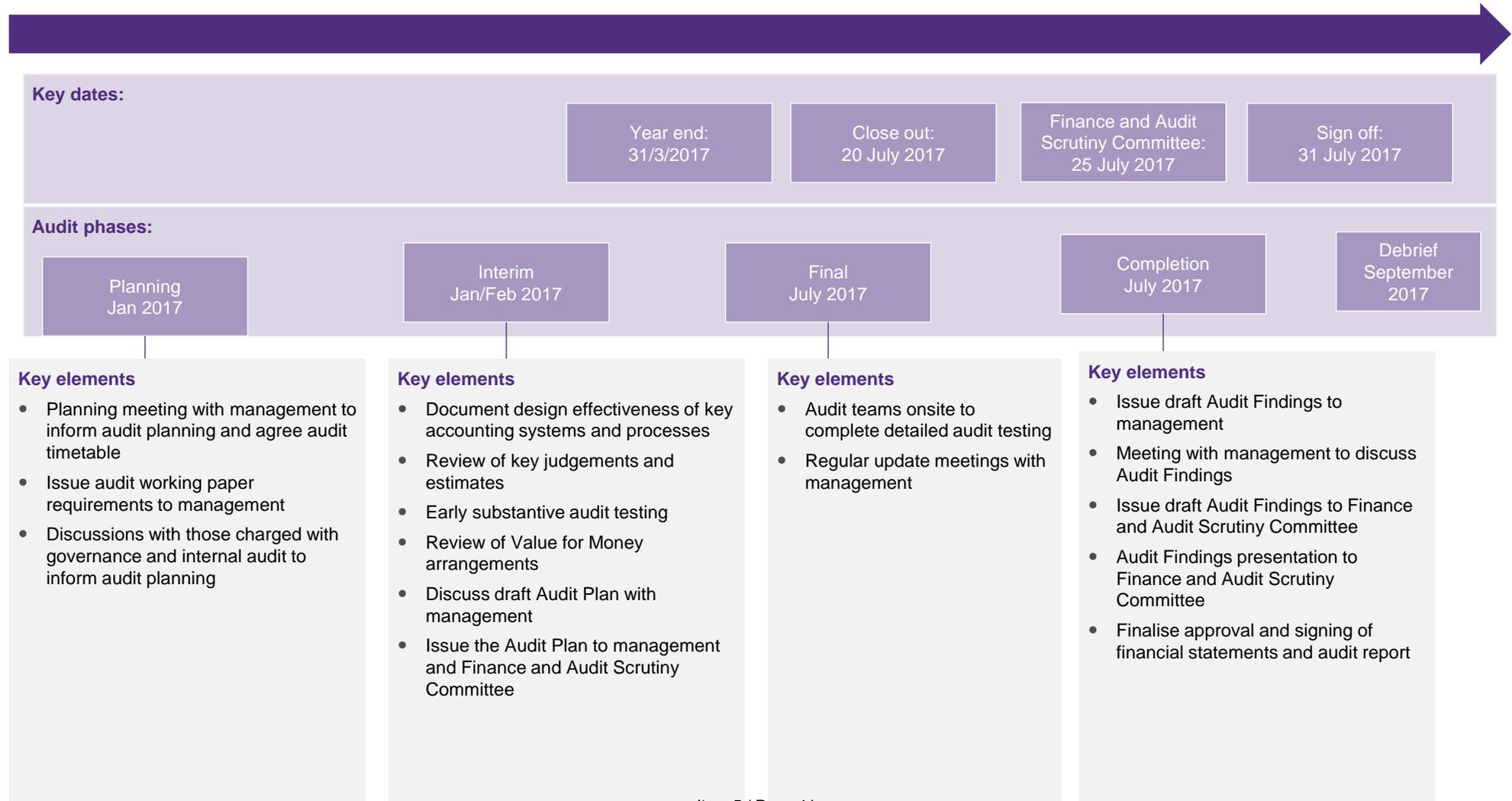
	Work performed	Conclusion
Walkthrough testing	<p>We have completed walkthrough tests of the Council's controls operating in areas where we consider that there is a risk of material misstatement to the financial statements. These were employee remuneration and operating expenditure</p> <p>Our work has not identified any issues which we wish to bring to your attention. Internal controls have been implemented by the Council in accordance with our documented understanding.</p>	<p>Our work has not identified any weaknesses which impact on our audit approach.</p>
Journal entry controls	<p>We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy and have not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.</p> <p>As part of the AFR last year we recommended that the reporting mechanism available for journals should be reviewed to make it easier to extract a complete journal listing. Discussion with officers during interim has highlighted that a new report will be available as part of the closedown process which will give greater assurance over the completeness of the journal population.</p>	<p>Our work has not identified any weaknesses that impact on our audit approach.</p> <p>Detailed testing of journals deemed to be large or unusual will be carried out as part of the final accounts visit</p>
Early substantive testing	<p>In line with the early close agenda we have worked with the finance team to identify key areas of the accounts where testing could be undertake before the year end. The work completed is listed below:</p> <ul style="list-style-type: none"> • Detailed grants testing up to month 9 for material grants • Testing of fees and charges income up to month 9 • Testing of capital additions and disposals up to month 9 • Testing of a sample of employee remuneration payments up to month 9 • Payroll trend analysis up to month 9 • Housing benefits payments testing up to month 9 	<p>Our audit work has not identified any errors in the transactions tested.</p> <p>The final accounts visit will focus on how these interim transactions are presented in the financial statements, and ensuring that further testing is undertaken to gain assurance over the full financial year</p>

Results of interim audit work (continued)

	Work performed	Conclusion
Earlier close and de-cluttering the accounts	<p>As part of last years audit findings report we recommended that officers should critically review the published financial statements and ensure that only significant items are included. This review should then form the basis of an action plan that will help the council achieve a faster more streamlined approach to the production of the accounts, in preparation for the deadlines coming forward.</p> <p>We also recommended that finance staff should ensure that greater emphasis is placed on the processes to help ensure a faster close to the accounts, particularly the use of estimates and the engagement with staff outside of the finance department.</p> <p>We held a detailed debriefing session with the accountancy team and signposted key areas where improvements could be made in the process. In addition we recommended that greater use could be made of tables and diagrams rather than detailed narrative which would have a greater impact and reduce the overall volume of the accounts</p>	<p>We will continue to work with officers to help them meet the early close agenda. As part of the interim audit we have reviewed a skeleton set of accounts, however they remain over 100 pages long and there is little evidence that the document itself has been critically reviewed.</p> <p>While there is a project plan in place for the closure of the accounts, this remains similar to previous years, just requiring the tasks to be completed earlier therefore allowing the accounts and associated working papers to be produced to the earlier timescale.</p> <p>Officers and members need to be confident that they have the sufficient processes and resources in place to achieve the agreed timescale, thus enabling the audit opinion to be signed by the end of July 2017, 2 months earlier than prior years.</p>
Working papers to support the financial statements	<p>As part of last years audit findings report we recommended that the finance staff should consider how to structure the working papers to support the financial statements, so that they are easy to locate and understand by finance staff who have not been involved in the accounts production process.</p> <p>We have met with officers and discussed ways that working papers could be improved. We have issued a revised working papers checklist which clearly sets out the information that we will need to complete the audit.</p>	<p>We will continue to work with members of the finance team to streamline and improve the working papers that support the financial statements.</p> <p>We will report to members the progress made in this area as part of the audit findings report</p>

The audit cycle

The audit timeline



Audit Fees

Fees

	2016/17 £	2015/16 £
Council audit	53,623	53,623
Grant Certification	6,398	9,540
Total audit fees (excluding VAT)	60,021	63,163

Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list
- The scope of the audit, and the Council and its activities, have not changed significantly
- The Council will make available management and accounting staff to help us locate information and to provide explanations
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

Grant certification

- Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited
- Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Fees for other services

Fees for other services detailed on the following page, reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter.

What is included within our fees

- A reliable and risk-focused audit appropriate for your business
- Invitations to events hosted by Grant Thornton in your sector, as well as the wider finance community
- Ad-hoc telephone calls and queries
- Technical briefings and updates
- Regular contact to discuss strategy and other important areas
- A review of accounting policies for appropriateness and consistency
- Annual technical updates for members of your finance team

Independence and non-audit services

Ethical Standards and ISA (UK and Ireland) 260 require us to give you timely disclosure of matters relating to our independence. We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to Client Name. The following audit related and non-audit services were identified for the Council for 2016/17 to date:

Fees for other services

Service	Fees £	Planned outputs
Audit related		
None	None	
Non-audit related		
None	None	

The amounts detailed are fees agreed to-date for audit related and non-audit services (to be) undertaken by Grant Thornton UK LLP (and Grant Thornton International Limited network member Firms) in the current financial year. Full details of all fees charged for audit and non-audit services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

The above services are consistent with the Council's policy on the allotment of non-audit work to your auditors.

Communication of audit matters with those charged with governance

International Standard on Auditing (UK and Ireland) (ISA) 260, as well as other ISAs (UK and Ireland) prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK and Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO and includes nationally prescribed and locally determined work (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern	✓	✓



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 FINANCE AND AUDIT SCRUTINY – 4th April 2017		Agenda Item No. 6
Title	Cultural Services Risk Register (Feb 2017)	
For further information about this report please contact	Rose Winship Tel: 01926 456223 email: rose.winship@warwickdc.gov.uk Richard Barr Tel: 01926 456815 email: richard.barr@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	July 2015 Finance and Audit Scrutiny Min. 28	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No (N/A - no direct service provision)

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	16 th Feb 2017	Andrew Jones
Head of Service	15 th Feb 2017	Rose Winship
CMT	16 th Feb 2017	Andrew Jones
Section 151 Officer	16 th Feb 2017	Mike Snow
Monitoring Officer	16 th Feb 2017	Andrew Jones
Finance	14 th Feb 2017	Richard Bar; Christine O'Rourke
Portfolio Holder(s)	16 th Feb 2017	Cllr Coker
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report sets out the process for the review by Finance & Audit Scrutiny Committee of the Cultural Services Risk Register.

2. **Recommendation**

- 2.1 That Finance & Audit Scrutiny Committee should review the Cultural Services Risk Register attached at Appendix 1& 2 and make observations on it as appropriate.

3. **Reasons for the Recommendation**

- 3.1 To enable members to fulfil their role in managing risk (see section 8, below).

4. **Policy Framework**

- 4.1 The Cultural Services Risk Register is part of the Council's corporate risk management framework. The Register reflects the Council's corporate priorities and key strategic projects that are contained in Fit for the Future.

5. **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 5.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

6. **Risks**

- 6.1 The risks are contained in the Service's Risk Register, set out as Appendix 1 and are summarised in Appendix 2 which also maps any changes in risk.

7. **Alternative Option(s) considered**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8. **Background**

- 8.1 In its management paper "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers:

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;

- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- approve the council's policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the Chief Executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility."

- 8.2 Executive agreed on 11th January 2012 that:
- (a) Portfolio Holders should review their respective Service Risk Registers quarterly with their service area managers.
 - (b) Portfolio Holder Statements should include each service's top three risks.
 - (c) Executive should note the process for the review by Finance & Audit Scrutiny Committee of service risk registers.
 - (d) The relevant Portfolio Holders should attend the Finance & Audit Scrutiny Committee meetings at which their respective service risk registers are reviewed.
- 8.3 The full framework endorsed by Executive at that meeting is set out as Appendix 3.
- 8.4 Risk registers are in place for all significant risks facing service areas in the provision of their services. In addition to service risk registers for all service areas there is the Significant Business Risk Register that contains the organisation's corporate and strategic risks (the latest version of this being presented to the January Executive meeting).

9. **Cultural Services Risk Register**

9.1 Introduction

- 9.1.1 The latest version of the Cultural Services Risk Register is set out as Appendix 1 to this report with a summary of risks in Appendix 2. The register was last reviewed in February 2017.
- 9.1.2 The scoring criteria for the risk register are subjective and are based on an assessment of the likelihood of something occurring, and the impact that might have. Appendix 3 sets out the guidelines that are applied.

9.1.3 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour, the former-described set of risks are within the area shaded red, whilst the latter-described set of risks are within the area shaded green; the mid-range are in the area seen as yellow.

9.2 Overview of Cultural Services Risk Management

9.2.1 The Cultural Services Risk Register is owned and managed by Cultural Services Management Team (CSMT) and the Portfolio Holder for Culture. The register is reviewed on a regular basis by CSMT and is discussed on a regular basis by Head of Cultural Services and Portfolio Holder at their one-to-one meetings

9.2.2 Amendments to existing risks are made to the register as appropriate and when any new risks are identified. Any changes to risks are shown on the matrix attached as Appendix 1, allowing officers to track the history of the risk and the impact of mitigation.

10.2.3 The Cultural Services Risk Register includes the significant business risks across the service; some of these are common across the service and others, given the broad range of services, are very specific to a particular part of the service. Sitting beneath this Risk Register are a series of very detailed risk assessments within each part of the service which identify the day to day risks which exist within the service. In general terms these are health & safety risks relevant to the type of service being provided and include, risks to customers, staff and contractors visiting or working in our venues.

9.2.4 Individual officers in Cultural Services have a role to play in managing these risks, and each area of the service has an officer who takes the lead on ensuring that Health & Safety risk assessments are kept up to date and new assessments are carried out when new activities are introduced. These lead officers are supported by the Council Health & Safety Advisor who monitors risk assessments. A number of the Cultural Services team have completed their IOSH Managing Safely Certificate and further training will take place at an appropriate time to offer the opportunity for more staff to gain this very useful qualification and reinforce the culture of "managing safely" across the service area.

9.3 Cultural Services Risks

9.3.1 Cultural Services is responsible for the provision of a wide range of diverse services. The risk register (Appendix 1) includes generic risks at the top of the document, followed by risks specific to the three areas of the service. Arrows on the matrices show the latest movement of any risks.

9.3.2 There are 40 risks contained in the Risk Register; 19 are service-specific risks and 21 are generic risks. There are currently 6 risks in the "red zone". Details of these risks are described in 9.3.4. There have been no new "red" risks since the last review.

9.3.3. One risk has moved from the "red" to the yellow since the last review. This risk relates to the failure of a major contract and the assessment is that as a result of more stringent contract monitoring and a process for flagging up "early warnings" the risk has reduced. The catering contract operated by Kudos has been extended by 12 months which indicates a robust position of this contract and a wish to continue working in partnership with the Council.

9.3.4 The following major risks (Red) that have been identified at this point in time:-

Plant Failure

The Council undertook a Condition survey of all of its assets and selected items of plant and equipment in 2013. The results of the survey identified the life expectancy of key items of plant which are essential for the operation of a number of our buildings. Since the last review, and the start of the improvement works on Newbold Comyn and St Nicholas Park leisure centres, the risk at these specific sites has decreased, but the risk at the remaining venues owned and managed by the Council remain and increase with age of the plant. Property Services are developing a programme of replacement for key plant; this, however, needs to be done in line with other pieces of work that are considering the future use of some of these assets.

Failure of Golf contract

The golf course at Newbold Comyn is operated by an external contractor under contractual arrangements which extend to 2060. IN line with national trends in participation in golf, the contractor has been experiencing difficult trading conditions for some time and continues in discussions with officers regarding what can be done to address this.

Flood threat at Royal Pump Rooms

The riverside location of the Royal Pump Rooms leaves it vulnerable to flooding after periods of heavy rain. Historically the site and buildings have experienced flooding, and have led to well-established procedures to limit the damage caused should this situation occur in future. Flood defences are installed in the building to protect the art store and temporary gallery; early warnings are received from the National Floodline Services, and procedures are in place to alert staff out of hours should this be required. Replacement of flood barriers to Temporary Exhibition Gallery and a new barrier to offer some protection to the plant room were undertaken in March 2017.

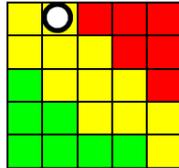
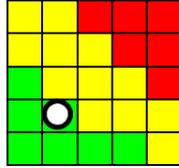
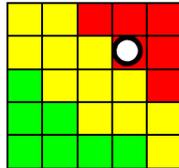
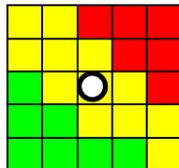
Leaks into the Royal Pump Rooms from roof

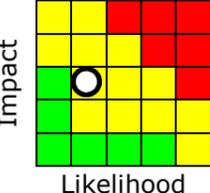
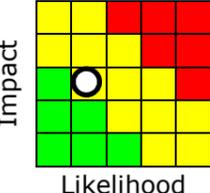
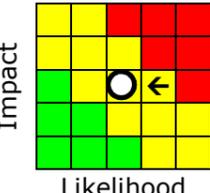
Again, at times of heavy rain, water penetrates the flat roof above the gallery. The condition of the roof was identified by the EC Harris Condition Survey, and verified by the Housing and Property Services team. No decision has been made on remedial work or a replacement roof, and this will not be done until the medium/long term future of the Royal Pump Rooms is confirmed. In the meantime, regular roof inspections are carried out to check for any evidence of deterioration of the roof, or blocked drains. Housing and Property Services are considering options for the future in respect of roof design and relocation of plant currently installed on the roof. Until the time that a decision is made regarding a new roof, this significant risk will remain.

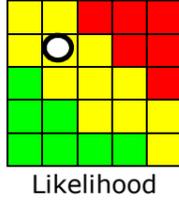
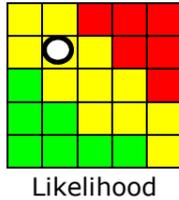
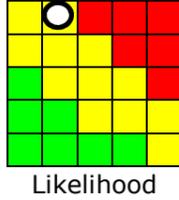
9.4 Review of Risk Register by Members

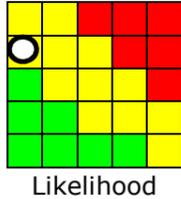
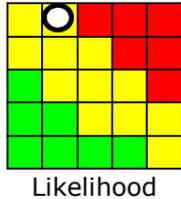
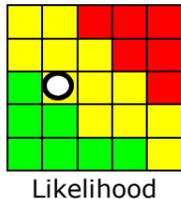
- 9.4.1 It is proposed that Members should review the risk register set out as Appendix 1, confirming that risks have been appropriately identified and assessed and that appropriate measures are in place to manage the risks effectively. Members may wish to challenge the Portfolio Holder and the Head of Cultural Services on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.

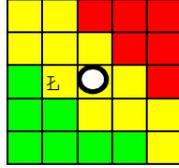
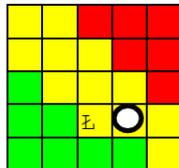
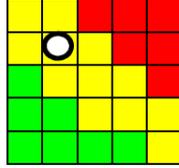
Cultural Services Risk Register (February 2017)

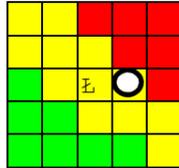
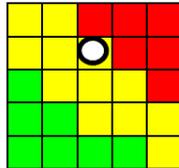
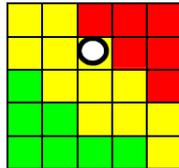
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
Generic Risks						
1. Loss or major damage to operational buildings	Fire Floods and storms Gas explosion Vandalism Civil unrest	Danger to occupants Non-availability of service Additional expenditure/loss of income Loss of customers	Business Continuity plans (CSMT) Normal operating procedures/ emergency Action Plans (Section Heads & building managers) Contract management of operators procedures where they are responsible for delivery of services in Council venues.	On-going review of Fire Risk Assessment procedures – corporate project	Corporate Compliance Group	 Likelihood
2. Unplanned unavailability of R/H offices	Power failures Emergencies/ incidents Floods	Minimal disruption to service. Possible loss of data (hard copies).	WDC corporate approach for relocation of services. Some accommodation at other CS sites	Review again after 1 st June 2017 following the leisure centres transferred to external operator.	Head of Cultural Services	 Likelihood
3. Plant failure	Mechanical breakdown; structural failure. Equipment nearing end of life. Flooding in plant rooms	Loss or restriction of service Health & safety risks Potential for damage to assets and high value items	Building Energy Management system. PPM - regular service by contractors or WPM Replacement of faulty items as scheduled . RSC Dimmers and motors replaced July/Aug 2016	Implementation of replacement programme based on 2013 Condition Survey (2015/16 onwards)	Asset Manager & Energy Manager with building managers	 Likelihood
4. Loss of power/water	Local or external interruption to supply; power surge; failure of piece of equipment	Loss or restriction of service.	PPM - regular service by contractors or WPM (Building Managers & Energy Manager) Dimmers and motors replaced, reducing risk of power overload and potential for loss of power	Implementation of replacement programme based on 2013 Condition Survey(2015/16 onwards)	Asset Manager & Energy Manager & building managers	 Likelihood

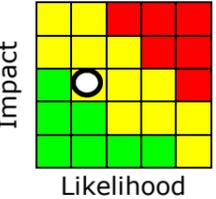
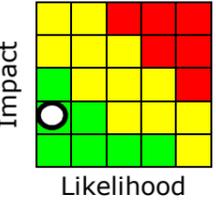
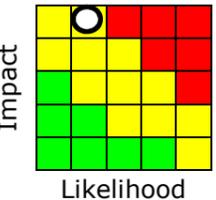
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>5. Loss of Electronic Data</p>	<p>Sabotage Malfunctions Inadequate staff training Loss of skilled people</p>	<p>Loss of income Breakdown of Service Loss of Reputation Disruption to forward planning Financial cost of recovery</p>	<p>Back-up processes and software assurance (Section heads) Staff training (Section Heads) IT Support (ICT) Maintenance agreements Section Heads) Copy of Licences (Section Heads)</p>		<p>Section Heads with ICT</p>	
<p>6. Failure to comply with Council Policy and/or legislation</p>	<p>Need for ongoing training for staff Failure to monitor staff Dishonesty</p>	<p>Staff resources tied up in investigations Reputational cost Poor service and complaints Loss of income Financial Effects</p>	<p>Legal and Financial controls (ICT) Supervision and monitoring (building managers) Audit inspections (Finance & building managers)</p>		<p>Head of Cultural Services and Section Heads</p>	
<p>7. Potential for financial loss through cash handling and banking procedures</p>	<p>Weak procedures Incomplete staff training Dishonesty Inaccurate record keeping</p>	<p>Financial loss Reputational loss Risks of threats to staff</p>	<p>Double-signing for staff cashing up (Building Managers) Contracts with G4S for banking and change supply Section Heads) Ongoing review of processes re G4S. Implementation of actions from 2016 audits. New on Line Reconciliation (OLR) processes implemented at Spa Centre and Town Hall April 2016</p>		<p>Sports & Leisure Contract Manager & Arts Manager Head of Finance</p>	 <p>Reduced likelihood due to temporary closure of NCLC (busiest site with greatest cash handling)</p>

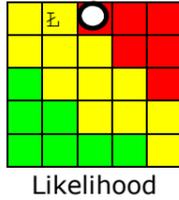
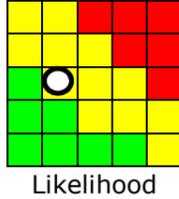
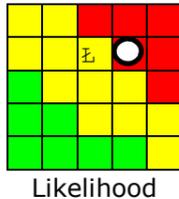
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>8. Credit card fraud</p>	<p>Dishonesty; lack of robust procedures</p>	<p>Loss of income; complaints re loss of public funds; Disciplinary action</p>	<p>PCI DSS controls and review of processes; ICT training; clear nominated users of ICT systems New systems in place to comply with PCI DSS at all sites.</p>	<p>Ensure any new booking systems in future comply with PCI DSS – ongoing</p>	<p>Section Heads with ICT</p>	
<p>9. Unauthorised access to buildings</p>	<p>Failure to check visitors ID Lack of access control Lack of staff awareness</p>	<p>Theft/vandalism Staff and customers at risk Loss of income through non payment</p>	<p>Audit reports Physical barriers to control entry where applicable (Building Managers) Staff training (Building Managers) Key codes/access control methods regularly changed (Building Managers) Normal operating procedures and supervisors guidelines</p>	<p>Ongoing vigilance at all sites as staff start in new roles at sites that they are not familiar with (restructure in Arts team and temporary pool closures leading to staff moving sites)</p>	<p>Building Managers</p>	
<p>10. Accidents to staff and customers</p>	<p>Lack of health & safety good practice including contractors working in venues; unpreventable accidents</p>	<p>Loss of business Liability claims Loss of reputation Loss of staff working time</p>	<p>H&S audits (H&S reps & building managers) Accident reporting (building managers) Staff training (Section heads)</p>		<p>Building Managers</p>	

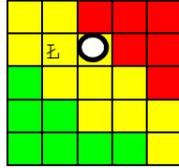
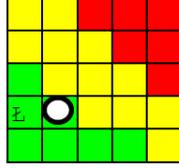
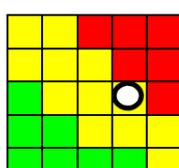
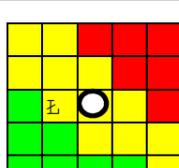
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>11. Abuse/ attacks on staff</p>	<p>Theft Vandalism Lone working Lack of training and knowing how to deal with situations</p>	<p>Staff injury Loss of staff time at work Stress Loss of confidence</p>	<p>Staff training and awareness, staff following guidelines of Normal Operating Procedures and Risk Assessments (Section Heads & Building Managers). Acceptable Behaviour Policy developed for leisure centres. Toolbox talk delivered for staff. Shared across Cultural Services. Toolbox talks include lone working procedures (Building Managers)</p>		<p>Section Heads and Building Managers</p>	
<p>12. Legionella in operational buildings</p>	<p>Poor PPM Poor record keeping Lack of procedures or procedures not being followed Design of pipework Poor staff awareness</p>	<p>Serious public health issues/death Litigation and reputational risk Business risk</p>	<p>Legionella policy (Energy Manager & Safety Advisor) Staff training (Building Managers) Operational procedures (Building Managers) Senior officer group New corporate contract for maintenance - Hertel (summer 2014) Active H/MIS now visible at all sites. New files created for un- manned buildings to ensure robust records are held for legionella and other building checks</p>		<p>Corporate Compliance Group Building Managers</p>	
<p>13. Loss of WDC network</p>	<p>Technical failure Floods Power cuts Viruses/hacking</p>	<p>Loss of access to data and/or loss of data; Loss of access to phones reduced services; slow communication</p>	<p>Back up processes (ICT) Business continuity plan (HoCS) Manual processes in place where appropriate (Section Heads) Mobile phones</p>	<p>Update Business Continuity Plan Feb/March 2017 then again post 1st June 2017</p>	<p>Head of Cultural Services ICT and Building Managers</p>	

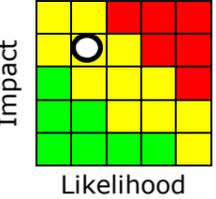
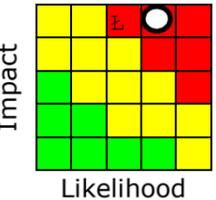
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>14. Loss of key management staff</p>	<p>Market forces; Illness Retirement Career progression Decision on leisure options</p>	<p>Loss of skills and knowledge Impact on remaining staff Loss of experience Reduced standards of service</p>	<p>Continued staff development to increase internal promotion opportunities (Section Heads) Succession planning (Section Heads & HoCS) Sharing of information (CSMT)</p>	<p>Monitor impact of new structures in Sports and Arts</p>	<p>Head of Cultural Services and Section Heads</p>	 <p>Likelihood</p> <p>Uncertainty during change in teams</p>
<p>15. Unplanned loss of operational staff</p>	<p>Market factors - e.g. low pay Dissatisfaction, low morale Lapse of qualifications Disciplinary or dispute Illness</p>	<p>Restricted service or delay</p>	<p>HR procedures (Section Heads) Notice periods (Section heads & HR) Appraisals and 1:1 meetings (All Managers). Early appraisals for sports staff in light of management procurement process to address queries. Training matrix of qualifications (Section Heads)</p>	<p>Ongoing communications to sports and leisure site staff to ensure they are kept informed/engaged during the current outsourcing process. Monitor impact of Arts review and changed roles in this section.</p>	<p>Section Heads and Building Managers</p>	 <p>Likelihood</p> <p>Uncertainty during change in teams and outsourcing of leisure centres</p>
<p>16. Non-compliant procurement</p>	<p>Lack of understanding of procurement policy. Urgency of procurement forces urgent action - without the necessary approval Procurement cards replacing petty cash</p>	<p>Non-compliant contracts awarded or cancelled at last minute. Risk of challenge to WDC. Loss of reputation of WDC Potential financial cost</p>	<p>Budget managers aware of Code of Procurement Practice and their roles within it. Training completed for budget holders (Section Heads) On-going advice from Procurement Officers (Section Heads) Contracts register completed and monitored (Nov 2016) Use of Warwickshire Legal Services to advise on complex/high value procurement projects.</p>	<p>Ongoing management and monitoring of Contracts Register by Cultural Services Management Team on a quarterly basis.</p>	<p>Section Heads</p>	 <p>Likelihood</p>

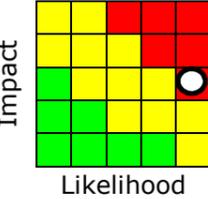
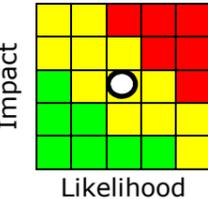
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>17. Failure to manage budgets</p>	<p>Unauthorised spending on codes without sufficient budget.</p> <p>Poor budget management</p> <p>Lack of timely accurate budget data from ledger</p> <p>Lack of compliance with Code of Financial Practice</p> <p>Incorrect raising and management of annual orders</p> <p>Reduce Business Support team resources from Jan 2017</p> <p>Mis-use of procurement cards/not managed effectively</p>	<p>Financial loss to the Council</p> <p>Disciplinary action</p>	<p>Budget managers attend training by Finance team (Section Heads)</p> <p>Budget managers and Accountants monthly budget monitoring now well established (Budget Managers)</p> <p>Dedicated admin resources to support Arts team and Sport team as a result of restructures.</p>	<p>Refresher training with Finance for new budget managers following restructures. Temporary impact whilst team members becoming established in new posts.</p>	<p>Budget Managers</p>	 <p>Increased likelihood while budget managers bed into new roles</p>
<p>18. Withdrawal of partners</p>	<p>Change of strategic objectives of partners</p> <p>Economic pressures</p>	<p>Loss of external funding</p> <p>Inability to deliver specialist services</p>	<p>Maintain strong relationships with key partners (Section Heads & HoCS)</p> <p>Forward planning within partnerships (Section Heads & HoCS)</p>		<p>Section Heads</p>	 <p>Likelihood</p>
<p>19. Failure of a major contract</p>	<p>Financial failure</p> <p>Breach of contract</p>	<p>Loss or suspension of service</p> <p>Loss of income</p> <p>Reputational loss</p>	<p>On-going robust contract monitoring (HoCS & AJ)</p> <p>Strong partnership and relationship (contract managers as appropriate)</p> <p>Advance planning for re-let at end of contract (HoCS)</p> <p>Proposed extension of catering contract to Feb 2019 (to allow plans to develop for the future use of the Pump Rooms)</p>		<p>Head of Cultural Services</p>	 <p>Likelihood</p> <p>Increased stability in catering contract and 12 month extension</p>

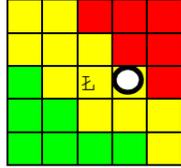
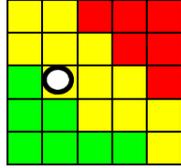
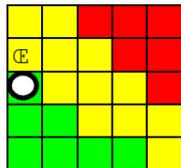
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>20. Management of leaseholders/tenants to ensure compliance</p>	<p>Failure to comply with terms of lease or agreement</p>	<p>Reputational damage to Council Possible litigation Loss of income</p>	<p>Detailed contract documents which make responsibility clear and unambiguous regarding responsibilities. Sound management of leaseholders in partnership with Estates Manager (Section Heads) Sound legal advice from Warwickshire Legal Services</p>	<p>H&PS to send letters to all leaseholders regarding their responsibilities.</p>	<p>Section Heads Estates Manager</p>	
<p>21. Loss of crucial suppliers of specialist goods</p>	<p>Various</p>	<p>Impact on service delivery</p>	<p>Consider alternative suppliers (Section Heads)</p>		<p>Section Heads</p>	
<p>Sports & Leisure Risks</p>						
<p>22. Serious Injury, Heart attack, Loss of Life,- Pools, Gyms & Sports Halls</p>	<p>Accidents, Medical Conditions, Cleaning chemicals, Lack of compliance with procedures by staff or contractors</p>	<p>Potential injury to staff \ users, potential loss of life, Insurance Claims, Loss of Reputation, Effects on - income, morale, & staff trauma</p>	<p>Normal Operating Procedures (NOP) (amended to reflect impact of building works at SNPLC) Trained and qualified staff Admissions Policy Risk Assessments, Staff training; AED in selected sites Industry Advice (S&L Manager, Area Manager, Ops Managers)</p>		<p>Sports Area Manager with Ops Managers</p>	

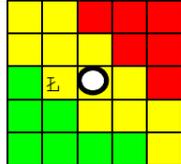
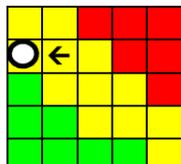
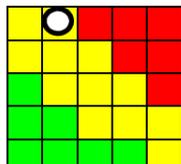
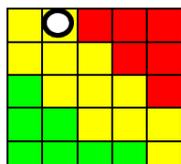
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>23. Plant failure</p>	<p>Poor maintenance, failure of components, Malfunction of equipment, Chemical leak, Water/gas leak. Equipment nearing end of life (EC Harris report and Property Service review)</p>	<p>Potential injury to staff/users, potential inability to maintain safe operating environment, Building Closure Revenue/reputation effects</p>	<p>Trained and qualified staff (WPM and pool staff). Regular maintenance of equipment (WPM) Staff manual \procedures NOP (Ops Managers) Investment projects underway at SNPLC & NCLC including renewal of significant elements of the plant</p>	<p>Implement replacement programme based on 2013 Condition Survey, outcome of Options Appraisal report (November 2014),</p>	<p>Asset Manager and Energy Manager with building managers</p>	 <p>Based on Condition survey evidence suggests some items nearly end of life.</p>
<p>24. Failure to achieve income targets</p>	<p>Divergence of aims and intent between partners, withdrawal of funding. Limitation of Flex system to maximise income development eg online booking Temporary closure of leisure facilities during improvements works (Jan 2017 onwards)</p>	<p>Reduced community sports offering in district. Possible loss of income to Council 2016/17 budgets will be significantly impacted by building works at Newbold Comyn and St Nicholas Park. Estimated loss of c.£142k</p>	<p>Formal partnership agreements in place; monthly operational meetings with partners and budget monitoring (Sports & Leisure Manager; Area Manager) Revised budgets agreed with Finance for April/May 2017 in leisure centres.</p>		<p>Budget Managers</p>	
<p>25. Failure of Golf contract</p>	<p>Failure of the contract at Newbold Comyn Golf Course (under lease to 2060)</p>	<p>Financial impact on WDC due to loss of income from contract. Impact on operation of golf course and need to re-tender for new operator Loss of Council reputation</p>	<p>Regular monthly contract meetings with WDC officers responsible for managing contract. Report to Councillors on annual basis or by exception if issues emerge Ongoing dialogue with contractor to address issues as they emerge. Legal and procurement advice received in considering Plan B should the contract fail</p>		<p>Sports & Leisure Manager DCE (AJ) and Head of Cultural Services</p>	 <p>Ongoing dialogue between WDC and contractor. No quick solution to issues.</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>26. Inability to run BACS DD system</p>	<p>Loss of software Competent staff unavailable</p>	<p>Inability to collect income each month from DD accounts</p>	<p>WDC server to run BACS and Flex New role for the Area Manager following the loss of the Business Support Manager in the recent restructure. Ongoing training. Additional support form ICT if required.</p>	<p>Agree process leading up to transfer to external operator 1st June 2017 and support the staff carrying out this new role</p>	<p>Area Manager</p>	 <p>Impact</p> <p>Likelihood</p> <p>Changes in business support roles have increased likelihood</p>
<p>27. Loss of Flex (Clarity) system</p>	<p>Omnicore software replacing Flex</p>	<p>Restricted Service until reinstated</p>	<p>Users still able to access service manually (Area Manager and Operational Managers)</p>		<p>Area Manager</p>	 <p>Impact</p> <p>Likelihood</p> <p>As service nears end of contract with supplier and clarity wind up Flex</p>
<p>28. Withdrawal of support for Flex software</p>	<p>Omnicore software replacing Flex</p>	<p>Anticipated need to replace Flex software to operate leisure centres before 2016</p>	<p>On-going dialogue with Clarity re options to replace Flex</p>	<p>Clarity informed of end of licence end May to coincide with start of new management contract.</p>	<p>Area Manager</p>	 <p>Impact</p> <p>Likelihood</p>
<p>30. Drop in morale of operational staff during Leisure Development Programme process and the related uncertainty.</p>	<p>Options Appraisal into future delivery of Sports & leisure service</p>	<p>Reduced levels of service Loss of operational staff</p>	<p>Staff and Manager briefings throughout the process (September 2014 onwards) Unions included in briefings Communications Strategy developed and implemented October 2014</p>	<p>Ongoing communications to sports and leisure site staff to ensure they are kept informed/engaged in process.</p>	<p>Head of Cultural Services and Sports & Leisure Contract Manager</p>	 <p>Impact</p> <p>Likelihood</p> <p>Uncertainty during change in teams and outsourcing of leisure centres</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>31 Leisure Development Programme unable to hit milestones to deliver the Programme (investment and management strands)</p> <p>(Details see Programme Risk register)</p>	<p>Some work streams within the programme fail to be completed, resulting in projects not able to progress as per milestones in Programme.</p>	<p>Project costs increase</p> <p>Risk to commencement of the management contract</p> <p>Reputational damage and customer dissatisfaction.</p> <p>Impact on the concession paid by the external management contractor.</p>	<p>Programme Manager and Programme Board in place (Feb 2015). Clear roles and responsibilities within Programme team. Interim milestones agreed' critical actions identified.</p> <p>Separate Risk Register established for Programme for two workstreams (investment and management)</p> <p>Key risks in Programme Risk Register – staff resource from Finance and Housing & Property Services to support the current phase of the Programme. Ongoing monitoring by DCE (AJ) and Programme Board</p>	<p>Ongoing monitoring of Programme Risk Register by Programme Board.</p>	<p>Programme Manager and Programme Board</p>	
Arts (previously Arts & Heritage and Spa Centre and Town Hall)						
<p>32. Flooding of Royal Pump Rooms</p>	<p>Heavy rainfall causes river flooding</p>	<p>Reduction or loss of service until damage made good</p> <p>Potential loss or damage to most of the Collection if flooding severe.</p>	<p>Early warning from National Flood Watch system ; flood barrier system to protect AG&M art store and temp exhibition gallery; maintain up-to-date Emergency Manual</p>	<p>Flood barriers being replaced (Order placed; works due March 2017)</p> <p>Additional barrier to be added to boiler room (as part of works above)</p> <p>Ongoing investigation of off site storage options for the collection</p>	<p>Arts Manager; Asset Manager</p>	 <p>Recent events suggest frequency is increasing</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>33. Leaks into RPR from roof</p>	<p>Heavy rainfall penetrates roof (condition survey by EC Harris identified extent of damaged areas)</p>	<p>Reduction of service until damage made good; Water damage to collections Loss of WDC reputation and ability to receive items on loan in future</p>	<p>Maintain roof in good condition; AG&M staff inspect galleries and stores after heavy rainfall; maintain up-to-date catalogue of collections and insurance schedule Condition survey to assess condition and inform repairs schedule Roof included in replacement programme based on Condition Survey (June 2013) Regular inspections of roof by contractor to clear debris and ensure drains are operational.</p>	<p>Identify timescale and work programme for roof replacement programme recommended in Condition Survey (June 2013) – Property Services</p>	<p>Arts Manager & Asset Manager</p>	
<p>34. Theft or damage to exhibits / collections</p>	<p>Criminal activity by public or staff; water leaks from air-conditioning plant in store; failure of air-conditioning system; pest infestation in stores; leaks from pipes in upper floors and stores</p>	<p>Restricted service and / or loss of valuable items</p>	<p>Regular maintenance of intruder alarm system; trained staff invigilating galleries; maintain up-to-date catalogue of collections and insurance schedule; regular inspections of stores and on-going pest-management programme; regular maintenance of air-conditioning plant. Regular checks of storage of collection – safe and secure from damage</p>	<p>Leak detection system and shut off valves being investigated by Property Services as per Zurich report</p>	<p>Arts Manager, Technical and Facilities Manager Asset Manager</p>	

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
<p>35. Loss of external grant funding</p>	<p>Change of policy or financial circumstances by grant awarding organisation/s</p>	<p>Reduction in quality and ambition of exhibitions and events programme; reduction in visitor numbers to AG&M</p>	<p>Ensure forward plan includes contingency for lower cost temporary exhibitions and events programme</p>	<p>Ongoing investigation of new sources of external funding. Development of a new strategy from the new Arts team</p>	<p>Arts Manager</p>	 <p>Likelihood Increasing pressure on external grant funding streams</p>
<p>36. Failure to achieve budget targets</p>	<p>Depressed economic climate; Deterioration in quality of service offered; Reduction in available product; Additional competition; Reduced attendances; Unforeseen expenditure; loss of key hires</p>	<p>Impact on corporate financial position and Medium Term Financial Strategy</p>	<p>Management systems in place to encourage increased attendances; control expenditure; monitor performance. New structure in place Feb 2017 with Marketing and Programming team and increased focus on income generation. EPOS system installed in bars summer 2013 – better control of stock and monitoring of sales</p>	<p>Complete the consultation process leading to the integration of the VIC into the Arts team. This will include the relocation of the Box Office to the RPR with the objective of increased ticket sales and agency fees.</p>	<p>Arts Manager; Marketing and Programming Manager</p>	 <p>Likelihood New structure in place within Arts team to increase income generation</p>
<p>37. Staffing gaps - inability to operate the venues.</p>	<p>Ill health, unexpected absences or leavers</p>	<p>Inability to present performances and events; Short term increase in staffing expenditure</p>	<p>Alternative staffing provision in place; new staff structure was put in place in Feb 2017; NOP and knowledge now shared widely amongst existing team Artifax system installed late 2013 – allows resource planning including staffing Integrated Arts team are more resilient and greater flexibility with the team working across 3 sites (RPR, RSC & TH)</p>		<p>Arts Manager Customer Services Manager Technical and Facilities Manager</p>	 <p>Likelihood New structure has increased resilience within the team so impact less</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
38. Loss of Databox ticketing system	Technical failure	Inability to sell tickets; Loss of income	Manual system in place/IT backup. Options being considered for the server to be moved outside of the Council 2 nd firewall. Work on-going to move storage to Cloud in future (ICT)	Upgrading of Box Office system linked with Leamington VIC – due to be finalised June 2017	Arts Manager	 Impact Likelihood Recent loss of network and increase threat of hacking etc
39. Theatre Plant/lighting failure	Various	Loss of service and loss of income	Maintenance programme; New sound and lighting equipment purchased through ERR summer 2013; competent technical team established New dimmers and motors being installed July/Aug 2016 New structure from Feb 2017	Implement new Apprentice Technician post	Technical and Facilities Manager	 Impact Likelihood Replacement of dimmers and motors
40. Act of violence / threats against staff / general public	Suspected drug dealers situated nearby; Lone working; Crime	Injury to staff / general public; Legal action, Loss of reputation; Loss of staff; Loss of income;	Lone working procedures and additional security measures in place; Working with Community Protection Officer		Arts Manager	 Impact Likelihood
41. Lack of ability to effectively monitor the movement of the public around the Town Hall site may result in property damage, theft or violence against staff.	Members of the public accessing building on a regular basis to visit tenants or with intent to cause damage/find shelter etc	Property damage or theft may result in financial loss. Injury to staff / general public; Legal action, Loss of reputation; Loss of staff; Loss of income;	Reduced Box Office opening hours impact on operational staff in the Town Hall at certain times. Back up support available during opening hrs from University security staff CCTV in some parts of the venue		Arts Manager	 Impact Likelihood

Methodology for assessing risk: Criteria for scoring residual risk rating

Probability of Occurrence

Estimation	Description	Indicators
5: High (Probable)	Likely to occur each year (e.g. considered as more than 50% chance of occurrence in any year).	<ul style="list-style-type: none"> • Potential of it occurring several times within the specified period (for example - ten years). • Has occurred recently.
4: Medium to High	Apply judgement	Apply judgement
3: Medium (Possible)	Likely to occur during a 10 year period (considered as between 5% and 25% chance of occurrence in any year).	<ul style="list-style-type: none"> • Could occur more than once within the specified period (for example - ten years). • Could be difficult to control due to some external influences. • There's a history of occurrence
2: Low to Medium	Apply judgement	Apply judgement
1: Low (Remote)	Not likely to occur in a 10 year period (considered as less than 2% chance of occurrence in any year).	<ul style="list-style-type: none"> • Has not occurred. • Unlikely to occur.

Consequences

Estimation	Description
5: High	<ul style="list-style-type: none"> • Financial impact on the organisation is likely to exceed £500K • Significant impact on the organisation's strategy or operational activities • Significant stakeholder concern
4: Medium to High	Apply judgement
3: Medium	<ul style="list-style-type: none"> • Financial impact on the organisation likely to be between £100K and £250K • Moderate impact on the organisation's strategy or operational activities • Moderate stakeholder concern
2: Low to Medium	Apply judgement
1: Low	<ul style="list-style-type: none"> • Financial impact on the organisation likely to be less than £10K • Low impact on the organisation's strategy or operational activities • Low stakeholder concern

Risk Management Framework: Engagement of Members
Endorsed by Executive 11th January 2012

Executive

- § The SBRR to continue to be reviewed on a quarterly basis by Executive (and so by extension Finance & Audit Scrutiny Committee).

Finance & Audit Scrutiny Committee

- § In conjunction with this, Finance & Audit Scrutiny Committee will also review each quarter a specific Service Area's Risk Register, focusing on the high risks.

This will necessitate the attendance of the relevant Service Area Manager to present their risk register and answer questions from members of Finance & Audit Scrutiny Committee on it. This approach will mean that over a two year period, the Committee will review all Service Risk Registers (SRR).

Portfolio Holders

- § Portfolio Holders to review their respective SRR quarterly with their service area managers.
- § Although not mandatory, Shadow Portfolio Holders are encouraged to review the SRR of their respective Portfolios with service area managers on a quarterly basis also.
- § Portfolio Holder Statements (PHS) are to include the top three risks facing their services.

Procurement Guidance for Members

As a local authority, the Council is subject to legislation derived from EU law that governs how procurements of a certain value must be carried out. The principles that underpin this legislation are transparency, proportionality and equal treatment of 'economic operators'.

In addition, the Council is specifically required to ensure that it does not design its procurements in a way that artificially narrows competition by unduly favouring or disadvantaging certain economic operators. It is therefore important that the Council follows the requirements of the regulations carefully and in doing so, interprets them in a manner that respects the underlying principles of the legislation.

One of the ways in which the regulations ensure that the principles are met is by requiring local authorities to take measures to prevent, identify and remedy conflicts of interest arising in the conduct of procurements. It is therefore important that anybody involved in a procurement process signs a declaration of interests form.

This note sets out key aspects of the procurement process and how the Council follows this process in procuring contracts that are the subject of EU regulation. For contracts that are not cover by EU regulation, officers still have to follow the Council's Code of Procurement Practice.

Decision to Procure

The decision to procure a contract, whether that be goods, services or works (or a mixture of more than one), will usually be taken by the Executive following a recommendation from officers by way of a report for a specific project.

Whether or not that contract will be subject to EU regulation depends on the type of contract as follows:

- Goods and Services Contract – a simple supply of goods and/or services will be subject to the Public Contract Regulations 2015 if it is of a value of £164,176 or above;
- Works Contract – a contract for construction or other works will be subject to the Public Contract Regulations 2015 if it is of a value of £4,104,394 or above;
- 'Light Touch Services' – some social and specific service contracts are classed as 'light touch' under the Public Contract Regulations 2015 (for example, Leisure Services). A contract that is light touch will only be subject to the Public Contract Regulations 2015 if it is of a value of £589,148 or above;
- Concession Contract – a contract for the provision of services where the consideration consists either solely of the right to exploit the services (i.e. to make money from third parties) or in that right together with payment (e.g. management fee) will be subject to the Concession Contracts Regulations 2016 if it is of a value of £4,104,394 or above.

Officers will usually give an indication in the Executive report as to whether the contract would be subject to one of the above procurement regimes, following advice from the Procurement Manager and/or Legal Services.

Where the Executive approves the project, it will normally delegate its implementation to specific officers in consultation with the relevant portfolio holders, which usually includes

delegation to undertake a procurement process, select a preferred provider via that process and enter into the necessary legal agreements with that provider.

Choosing a Procurement Procedure

Before commencing the procurement, officers will need to determine which procurement procedure would be most appropriate to use depending on the nature of the project. That decision will often be taken following advice from the Procurement Manager and/or Legal Services.

Sometimes officers will be in a position to give an indication in the Executive report which procedure they are expecting to follow, however, this may not always be the case and can be subject to change, if in scoping the project; officers reach the conclusion that a different procedure would be more appropriate.

The available procedures are as follows:

- Open – anybody can submit a tender if they wish to, without the need to satisfy any ‘pre-qualification criteria’;
- Restricted – only those bidders that meet the ‘pre-qualification criteria’ can submit a tender;
- Competitive with Negotiation – this is similar to the restricted procedure but there is an additional optional stage (or stages) for negotiating with bidders after they have submitted their initial tenders, in order to refine the Council’s requirements to secure more beneficial final tenders;
- Competitive Dialogue – bidders are asked to provide a proposal in response to a high level specification and then through one or more dialogue meetings, the Council and the bidders refine those proposals to result in a final tender that meets the Council’s needs;
- ‘Free choice’ – for light touch and concession contracts the Council is free to design its own procedure provided that some minimum requirements are met.

Competitive with negotiation and competitive dialogue can only be used in certain circumstances, including where the Council’s needs can’t be met without adapting a readily available solution and/or the contract includes design or innovative solutions (e.g. the Creative Quarter procurement). Where the Council has free choice to choose a procedure it can follow a process that is the same or similar to these without providing such justification. The extent to which certain procedures are available is something officers would normally seek legal advice on.

Preparing Procurement Documents

Both the Public Contract Regulations 2015 and the Concession Contract Regulations 2016 now require that the Council has its procurement documents ready as soon as the tender opportunity is published – this includes the specification and contract documentation.

Officers will prepare the following documents based on their knowledge of the contract subject area and the Council’s requirements:

- ‘Pre-qualification questionnaire’ (“PQQ”) – this allows the Council to verify the bidders’ compliance history in relation to previous claims, financial issues, health and safety and other areas of importance to the Council. This includes pass/fail

questions as well as questions requiring a minimum score to progress to the tender stage. The government has produced a standard PQQ that must be used for all procurements, subject to a small number of permitted variations.

- Invitation to tender – this sets out as a minimum what the bidder must submit for their tender, the conditions they must comply with and the award criteria the Council will use to evaluate their tender.
- Specification – this sets out the detail of the Council's requirements for the particular goods, works or services and what it expects the provider to deliver. The detail of this will vary depending on the nature of the contract and the extent to which the Council is seeking to negotiate.

Depending on the nature of the project and the Council's specific requirements for a particular project, the Executive report may recommend that a working group of Members be set up to review key documents such as the specification. This is an opportunity for Members to input into the Council's requirements, in consultation with the officers leading on the procurement.

The preparation of the procurement documents is one of the most important aspects of the process because it will inform who the chosen bidder will be. It is therefore important that the specification fully reflects what the Council requires and the award criteria will enable the Council to choose the best provider based on its needs.

Officers will instruct Legal Services to draft the contract documentation to accompany the other procurement documents.

Clarifications and Submission of Bids

Once the documents are ready, the Council will publish the tender opportunity by way of an 'OJEU notice' and provide the documents to bidders who register their interest.

Bidders are given a certain timeframe to provide answers to the PQQ and prepare their bids. Sometimes the PQQ and tender stages are run separately (i.e. bidders have to pass the PQQ before they are invited to submit a tender) or else they are run concurrently (i.e. the bidder submits both the PQQ and tender at the same time but their tender is only scored if they pass the PQQ first). This is usually dependent on the procedure the Council is following.

Whilst bidders are preparing their answers to the PQQ and their tenders, there is a clarification process ongoing. This enables bidders to ask questions of the Council in relation to matters that they do not understand from the documents that have been provided. This may be clarification of a particular requirement, correction of typing errors that are potentially misleading and/or matters that the bidder considers may be unachievable. This gives the Council the opportunity to revisit issues that are important to bidders and consider whether it needs to change its documents to encourage viable bids.

It is also open to the Council to voluntarily clarify matters that have changed or explain new issues that have come to light since the documents were originally published (i.e. the Council does not have to wait for a bidder to ask a question if it has new information to provide).

The clarification process only runs for a specific period of time so that bidders have enough time to take account of any new or changed information before submitting their PQQ and/or bid.

Evaluation Process

The evaluation process can only be carried out by a designated evaluation panel. Officers leading on the procurement will assemble an appropriate evaluation panel based on who has the relevant expertise to evaluate specific questions.

It is common for evaluation panels to include officers with the following expertise:

- Knowledge of the subject matter to which the project relates – for service specific questions;
- Finance – for questions in relation to the financial status of the bidders and the financial viability of their bids;
- Health and safety – for questions in relation to bidders' approach to health and safety matters;
- Environmental Management – for questions in relation to bidders' compliance with environmental legislation;
- HR – for questions in relation to bidders' approach to equalities legislation, staff transfer (if there is one) and pensions (if staff are transferring);
- IT – for questions in relation to the adequacy of IT solutions used in delivering the contract;
- Insurance – for questions assessing the adequacy of the insurance that bidders have in place.

Evaluators will only be expected to mark questions within their expertise and it is important that those without knowledge of a particular area are not acting as evaluators for such questions (for example an IT officer wouldn't be asked to evaluate the health and safety questions). Some questions may be marked by more than one evaluator if a number of officers share the same expertise (e.g. it may be appropriate to have a number of evaluators for service specific questions).

Evaluation of questions must take place independently and therefore evaluators cannot confer with one another. The Procurement Manager and Legal Services can advise individual evaluators if they have specific queries on the process, etc. but nobody else should discuss or seek to influence the evaluation being carried out by panel members. Ultimately if the Council were to be challenged, by way of legal action, that individual officer would need to be able to explain to a court why they gave a particular score based on their own judgment and expertise. The officer would be in a difficult position if they had been influenced by any other person.

When preparing procurement documents, it is usually expected that the evaluation panel input in to what the questions are, so that they can advise what they would want a bidder to be able to demonstrate. This makes it easier when they come to do their evaluation.

Evaluators can only mark bids based on the award criteria the Council has specified in its procurement documents and they cannot deviate from this. The procurement documents will also set out how individual scores will be weighted including an overall weighting between price and quality (e.g. the Council may attribute 40% of the total score to the bidders' price and 60% to quality). This allows the Council to balance between getting a good price and the right quality for the particular contract.

Negotiation/Dialogue (if applicable)

In the event that the Council has provided for a negotiation or dialogue stage, the officers leading on the procurement will make a decision based on the evaluation scores and

comments from individual evaluators as to whether they wish to negotiate on any matters. The Council usually reserves the right to award without negotiation if they get a suitable bid and therefore it is not under an automatic obligation to negotiate.

If officers reach the conclusion that a negotiation stage would be helpful they will compile a list of matters on which the Council would be prepared to negotiate, consulting with the relevant portfolio holder, as appropriate. Officers will also determine the strategy for negotiation for that particular procurement, which is likely to be commercially sensitive because of the potential to compromise the Council's bargaining position.

Any information provided by bidders and/or the Council at the negotiation stage is not binding on either party at that point and therefore the Council cannot rely on indications of what a particular bid may look like – it has to wait until the final bids are submitted.

Final Tenders and Award

After the negotiation stage, the Council may refine its requirements and ask bidders to submit their final tenders. (Where there is no negotiation stage, there is only the initial tender and that is therefore their final tender).

Final tenders will be evaluated in accordance with the process set out above and the formulae within the procurement documents will enable all bidders' scores for their final tender to be combined into one overall score. The bidder with the best overall score will be awarded the contract.

The Council has to inform the winning bidder and all unsuccessful bidders of the outcome, following which the Council has to allow a 10-day 'standstill' period before formally awarding the contract. This period allows any unsuccessful bidder to challenge the procurement prior to the contract being entered into. If no successful challenge is made then the Council can proceed to enter into the contract with the winning bidder and is free to publicise the contract award. During the standstill period the Council must be cautious about making such public announcements and ensure that those that are informed keep the information confidential.

Once the contract has been entered into then the preferred bidder will be bound by what they have submitted in their tender and this will usually form part of the contract, which can be freely shared within the Council as appropriate. Some of the evidential documents provided during the procurement process will be commercially sensitive (such as the preferred bidder's accounts). That information was provided for a specific purpose (i.e. for the relevant evaluators to score) and therefore cannot be shared more widely for any other purpose without having first sought legal advice.

Warwickshire Legal Services

 Finance & Audit Scrutiny Committee 4 April 2017		Agenda Item No. 8
Title	End of Term Report 2016/17	
For further information about this report please contact	Amy Barnes Senior Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Wards of the District directly affected	n/a	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers	Minutes of all 2016/17 Finance & Audit Scrutiny Committee meetings	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	n/a

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy		Chris Elliott
Head of Service		Andrew Jones
CMT		Bill Hunt
Section 151 Officer		Mike Snow
Monitoring Officer		Graham Leach
Finance		
Portfolio Holder(s)		Cllr Mobbs
Consultation & Community Engagement		
Final Decision?		
This report is for recommendation to Council.		

1. **Summary**

- 1.1 An end of term report to the Council on the work the Committee has undertaken during the 2016/17 municipal year.

2. **Recommendation**

- 2.1 It is recommended to Council that the list of matters considered by this Committee during the municipal year 2016/17, as detailed in the Appendix to the report, be noted.

3. **Reasons for the Recommendation**

- 3.1 Under Article 6 of the Council's Constitution, Overview and Scrutiny Committees and Policy Committees are required to provide an end of term report to the Council on work they have undertaken during the year.
- 3.2 This report will be updated to include items considered at the 4 April 2017 meeting of the Committee, prior to it being presented to Council.

4. **Policy Framework**

- 4.1 The recommendations of the report do not affect the Council's policy framework.
- 4.2 Fit for the Future - This report is made annually as a matter of good practice and Council policy.

5. **Budgetary Framework**

- 5.1 The recommendations of the report do not affect the Council's budgetary framework.

6. **Risks**

- 6.1 There are no risks associated with this report.

7. **Alternative Option(s) considered**

- 7.1 There are no alternative options as this report complies with the requirements of Article 6 of the Council's Constitution.

8. **Background**

- 8.1 The decision to include end of term reports for scrutiny committees was taken and has been an agenda item at the last meeting of the municipal year ever since.
- 8.2 In total the Finance & Audit Scrutiny Committee have considered 23 Audit items, 13 Scrutiny items and 41 Executive items. On those Executive items, Members made three formal recommendations.
- 8.3 In addition, the Committee have scrutinised four contract registers and three risk registers.

Items considered by Finance & Audit Scrutiny Committee 2016/17

AUDIT ITEMS

Internal Audit Quarter 4 2015/16 Progress Report
Annual Governance Statement Action Plan 2015/16: Review of Progress
Internal Audit Annual Report 2015/16
Annual Governance Statement 2015/16
Review of Internal Audit Service in Compliance with Public Sector Internal Audit Standards
External Review of Council's Risk Management Arrangements
2015/16 Annual Treasury Management Report
Treasury Management Activity Report for the period 1st October 2015 to 31st March 2016
Statement of Accounts and Annual Governance Statement 2015/16
Anti-Fraud and Corruption Progress Report 2015/16
Internal Audit Quarter 1 2016/17 Progress Report
Annual Governance Statement Action Plan 2016/17: Review of Progress
Risk Management Annual Report 2015/16
Audit Findings Report from External Auditor
National Fraud Initiative Update
Internal Audit Quarter 2 2016/17 Progress Report
Annual Governance Statement Action 2016/17: Review of Progress
Treasury Management Activity Report for the period 1 April 2016 to 30 September 2016
2015/16 Annual Audit Letter and Grant Claims
Final Report on Procurement Issues
Internal Audit Quarter 3 2016/17 Progress Report
Annual Governance Statement Action Plan 2016/17: Review of Progress
Electrical Maintenance Contract – Final Report

SCRUTINY ITEMS

Warwick District Infrastructure Delivery Plan
Statement of Accounts & Annual Governance Statement 2015/16 – see Council agenda
Infrastructure Delivery Plan update
Learning from the outcome of the further Audit work on the Electrical Repair & Maintenance Contract
Half Year Update on Procurement Action Plan
Update on Procurement Issues
Student Accommodation and Houses in Multiple Occupation
Update on the support cost savings as a result of the management arrangements at Leisure Centres
Welfare Reforms
Warwick District Infrastructure Delivery Plan
Waste Container Charging Review
The Monitoring of Section 106 Contributions
Procurement Progress Update

Contract Registers Health & Community Protection - Contract Register Review
Housing & Property Services – Contract Register Review
Cultural Services - Contracts Register Review
Development Services – Contract Register Review

Risk Registers Neighbourhood Services Risk Register
Review of Chief Executive’s Office Risk Register
Housing & Property Services Risk Register

(Items considered by the Committee on 4 April 2017 will be added to the list prior to the report’s presentation to Council)

ROUTINE ITEMS

- Comments from the Executive
- Review of the Work Programme & Forward Plan

EXECUTIVE ITEMS CONSIDERED BY THE COMMITTEE

June 2016

Final Accounts 2015/16
Fit for the Future Change Programme
Tourism Update
Local Plan Budget
Repair of Listed Boundary Walls
Renewal of Fire Alarm Systems in Sheltered Housing Schemes
Multi-storey Car Park Condition Survey Report – Update
Use of Delegated Powers: Electrical Repair & Maintenance Contract Groups
Housing Benefits and Council Tax Reduction
Service Re-Design update

July 2016

Leisure Development Programme Update
Budget Review to 30 June 2016
Council Tax Reduction Scheme
Review of Support to Town and Parish Councils
Procurement Exemption for WDC Copier Maintenance 2016/17
Significant Business Risk Register

September 2016

Fees and Charges 2017/18
HEART Shared Service to deliver Home Adaptations (including Disabled Facilities Grants)a
Significant Business Risk Register

November 2016

Budget review to 30 September 2016
Review of Support to Parish & Town Councils
General Fund base budgets latest 2016/17 and original 2017/18
Housing Revenue Account (HRA) budgets latest 2016/17 and base 2017/18
Housing Revenue Account Rent Arrears Policy
Appointment of External Auditor
Future use of council land adjacent to 39 High Street, Kenilworth

January 2017

Council Tax Property Exemption Period
Pre-Application Charging Regime
Consultation on draft Community Infrastructure Levy (CIL) Charging Schedule
Cloister Way Affordable Housing
Significant Business Risk Register
Decision Made under Chief Executive's Emergency Powers

February 2017

Budget 2017/18 and Council Tax – General Fund Revenue and Capital
Housing Revenue Account (HRA) Budget 2017/18 and Housing Rents
Treasury Management Strategy
Housing Related Support Services

March 2017

Bereavement Services – enhanced service provision
Review of Approach to unauthorised encampments
St Mary's Lands Delivery Plan for 2017/18
Request for Funding for a Community Hub in Norton Lindsey
Procurement Exemptions – CIL Viability and Retail Planning

(Items considered by the Committee on 4 April 2017 will be added prior to the reports presentation to Council)

April 2017

TBC

	Finance & Audit Scrutiny Committee 4 April 2017	Agenda Item No. 9
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Title	Comments from the Executive
For further information about this report please contact	Amy Barnes Senior Committee Services Officer 01926 456114 committee@warwickdc.gov.uk
Service Area	Civic & Committee Services
Wards of the District directly affected	n/a
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No
Date and meeting when issue was last considered and relevant minute number	n/a
Background Papers	Executive – 08.02.2017

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Deputy Chief Executive		
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
Portfolio Holders		

Consultation Undertaken	
n/a	
Final Decision?	Yes
Suggested next steps (if not final decision please set out below)	

1. Summary

- 1.1 This report summarises the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 8 March 2017.

2. Recommendation

- 2.1 That the responses made by the Executive be noted, as set out in Appendix 1 to the report.

3. Reasons for the Recommendation

- 3.1 This report is produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee is formally made aware of the Executive's responses.

4. Alternative Options Considered

- 4.1 The Committee receives and notes the minutes of the Executive instead.

5. Budgetary Framework

- 5.1 There is no impact on the budgetary framework. This is for the Committee's information only.

6. Policy Framework

- 6.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

7. Background

- 7.1 As part of the scrutiny process, the Committee no longer considers the whole of the Executive agenda.
- 7.2 Councillors are emailed at the time of the publication of the Executive and Scrutiny Committee agendas, asking them to contact Committee Services by 9.00 am on the day of the Scrutiny Committee, to advise which Executive items they wish the Scrutiny Committee to pass comment on and the reasons why.
- 7.3 As a result, at its meeting on 4 January 2017, the Finance & Audit Scrutiny Committee considered the items detailed in the appendices. The responses which the Executive gave are also shown.

Responses from the meeting of the Executive held on 8 March 2017 to the Finance and Audit Scrutiny Committee's comments

Item no	7	Title	Bereavement Services – enhanced service provision
Scrutiny Comment	The Finance & Audit Scrutiny Committee fully supported the recommendations in the report.		
Executive Response	The recommendations in the report were approved.		

Item no	10	Title	Review of Approach to unauthorised encampments
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report, including the additional recommendation 2.7 as circulated in the addendum. Members highlighted the need to move forward with the identification of suitable sites at the earliest opportunity and welcomed the move to publicise the Council's responsibilities on the website. In addition, Members were pleased that a definitive Agency Contact list would be included in the protocol and requested that this be made available to all Councillors.		
Executive Response	<p>The recommendations in the report were approved subject to:</p> <ul style="list-style-type: none"> • 2.5 being amended so that the measures are implemented over the next 12 months; • Note that appendix 5, 'Sites proposed for situational measures', should include Newbold Comyn, but that the present costs of this scheme are unknown and therefore, if additional funding was required outside the 5% contingency, a further report would be brought back to the Executive; • An additional recommendation be added stating that the area shown on Plan 2, as circulated at the meeting, should be included within the lease with the Jockey Club provided that they take responsibility for installing preventative measures as a matter of urgency and subject to an agreement on rent; • That once the works start all Councillors will be notified of the details and asked if there is further Warwick District land that should be considered for preventative measures. 		

Item no	11	Title	St Mary's Lands Delivery Plan for 2017/18
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report and commended the Working Party for their work to date.		
Executive Response	The recommendations in the report were approved.		

Item no's	12	Title	Request for Funding for a Community Hub in Norton Lindsey
Scrutiny Comment	<p>The Finance & Audit Scrutiny Committee supported the recommendations but raised concerns that due to the request for funding coming from a limited company, which had the ability to sell shares, the Council should ensure its contribution was protected should the premises be sold on in the future. Therefore, the Committee agreed that an additional recommendation should be included as follows:</p> <p>The Finance and Audit Scrutiny Committee recommended that a covenant be added to any agreement to ensure that if the Community Hub were to be sold on in the future, there would be a mechanism to recoup any contributions made by the Council.</p>		
Executive Response	<p>The Executive welcomed the suggestion from the Finance and Audit Scrutiny Committee and while they did not agree with the precise wording, they did agree to an additional recommendation 2.1.8 that an appropriate agreement be put in place to recover the contribution made by this Council if the venture fails or the property is sold.</p> <p>Subject to the above, the recommendations in the report were approved.</p>		

Item no's	13A	Title	Procurement Exemptions – CIL Viability and Retail Planning
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report subject to the removal of the repeat wording in recommendation 2.2.		
Executive Response	The recommendations in the report were approved.		

 Finance & Audit Scrutiny Committee – 7 March 2017		Agenda Item No. <h1 style="text-align: center;">10</h1>
Title	Review of the Work Programme & Forward Plan	
For further information about this report please contact	Amy Barnes Senior Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Wards of the District directly affected	n/a	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers	n/a	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	n/a
Equality & Sustainability Impact Assessment Undertaken	n/a

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive		
Head of Service		
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)		
Consultation & Community Engagement		
n/a		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 This report informs the Committee of its work programme for 2017/18 (Appendix 1) and the current Forward Plan (Appendix 2).

2. Recommendation

- 2.1 Members consider the work programme and agree any changes as appropriate.
- 2.2 The Committee to; identify any Executive items on the Forward Plan which it wishes to have an input before the Executive makes its decision; and to nominate a Member to investigate that future decision and report back to the Committee.

3. Reasons for the Recommendation

- 3.1 The work programme should be updated at each meeting to accurately reflect the workload of the Committee.
- 3.2 If the Committee has an interest in a future decision to be made by the Executive it is within the Committee's remit to feed into the process.
- 3.3 The Forward Plan is the Executive's future work programme. If any non-Executive Member or Members highlight items which are to be taken by the Executive which they would like to be involved in, those Members can then provide useful background to the Committee when the report is submitted to the Executive and when the Committee passes comment on it.

4. Policy Framework

- 4.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

5. Budgetary Framework

- 5.1 All work for the Committee has to be carried out within existing resources. Therefore, there is a limit to the time available that officers will have to assist Members, so the Committee may wish to prioritise areas of investigation.

6. Risks

- 6.1 This Committee contributes to the effective minimisation of risk by fulfilling its duties in a timely manner and scrutinising the work undertaken by the Executive.

7. Alternative Option(s) Considered

- 7.1 The only alternative option is not to undertake this aspect of the overview and scrutiny function.

8. Background

- 8.1 The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.

- 8.2 The pre-decision scrutiny of Executive decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Executive decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 8.3 The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve month period to give a clearer picture of how and when the Council will be making important decisions.
- 8.4 A key decision is a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.
- 8.5 The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions.
- 8.6 The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan. The Committee may wish to give greater consideration to the reports in Section 2 of Appendix 1, to maximise the time available for Members to input into the process.

Finance and Audit Scrutiny Committee WORK PROGRAMME 2017/18

4 April 2017

1	Internal Audit Strategy & Plan 2016/17 – 2018/19	Audit Item	Richard Barr
2	Significant Business Risk Register	Audit Item	Richard Barr
3	2016/17 Audit Opinion Plan	Audit Item	Mike Snow / EA
4	End of Term Report	Scrutiny item	Amy Barnes / Chair
5	Risk Registers Reviews 2016/17 – Cultural Services	Audit Item	Richard Barr

31 May 2017

1	Annual Governance Statement	Audit Item	Richard Barr
2	Internal Audit Annual Report	Audit Item	Richard Barr
3	Internal Audit Quarter 4 2016/17 Progress Report	Audit Item	Richard Barr
4	Annual Governance Statement Qtr 4 Action Plan Report	Audit Item	Richard Barr

27 June 2017

1	Contracts Registers Reviews – Neighbourhood Services		
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25 July 2017

1	Service Risk Register Review (Development Services)	Audit Item	Tracy Darke
2	Significant Business Risk Register	Audit Item	Richard Barr

30 August 2017

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26 September 2017

1	Internal Audit Quarter 1 2017/18 Progress Report	Audit Item	Richard Barr
2	Annual Governance Statement Qtr 1 Action Plan Report	Audit Item	Richard Barr
3	Contracts Registers Reviews – Finance		

31 October 2017

1	Service Risk Register Review (Health & Community Protection)	Audit Item	Marianne Rolfe
2	Significant Business Risk Register	Audit Item	Richard Barr

28 November 2017

1	Internal Audit Quarter 2 2017/18 Progress Report	Audit Item	Richard Barr
2	Annual Governance Statement Qtr 2 Action Plan Report	Audit Item	Richard Barr

3 January 2018

1	Service Risk Register Review (XXXX Services)	Audit Item	Head of Service
2	Significant Business Risk Register	Audit Item	Richard Barr

6 February 2018

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6 March 2018

1	Internal Audit Quarter 3 2017/18 Progress Report	Audit Item	Richard Barr
2	Annual Governance Statement Qtr 3 Action Plan Report	Audit Item	Richard Barr

4 April 2018

1	Service Risk Register Review (XXXX Services)	Audit Item	Head of Service
2	Significant Business Risk Register	Audit Item	Richard Barr
3	End of Term Report	Scrutiny item	Amy Barnes / Chair



Warwick District Council Forward Plan April to July 2017

**Councillor Andrew Mobbs
Leader of the Executive**

The Forward Plan is a list of all the Key Decisions which will be taken by the Executive in the next four months. The Warwick District Council definition of a key decision is: - a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.

Whilst the majority of the Executive's business at the meetings listed in this Forward Plan will be open to the public and media organisations to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information.

This is formal notice under the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 that part of the Executive meeting listed in this Forward Plan will be held in private. This is because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. Those items which are proposed to be considered in private are marked as such along with the reason for the exclusion in the list below.

If you would like to make representations or comments on any of the topics listed below, including the confidentiality of any document, you can write to the contact officer, as shown below, at Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ. Alternatively you can phone the contact officer on (01926) 456114. If your comments are to be referred to in the report to the Executive or Committee they will need to be with the officer 7 working days before the publication of the agenda. You can, however, make comments or representations up to the date of the meeting, which will be reported orally at the meeting. The Forward Plan will be updated monthly and you should check to see the progress of the report you are interested in.

(867)

Section 1 – The Forward Plan April to July 2017

Topic and Reference	Purpose of report	If requested by Executive – date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
April 2017						
Service Area Plans for 2017/18 & Annual Performance Reports for 2016/17 (Ref 837)	To approve the Council's Service Area Plans for 2017/18 and report on performance against Service Area Plans for 2016/17.		Executive 4/4/2017	27/03/2017	Andrew Jones Cllr Mobbs	
Code of Procurement Practice (Ref 805)	To consider and recommend to Council an updated Code of Procurement Practice.		Executive Reason 5 28/9/2016 30/11/2016 5/1/2017 8/2/2017 4/4/2017	27/03/2017	John Roberts Cllr Whiting	
Corporate Property Planned Preventative Maintenance Programme (Ref 850)	To provide the rationale for the proposed allocation of works against the budget for the Corporate Repairs and Maintenance Programme.		Executive 4/4/2017	27/03/2017	Russell Marsden Cllr Phillips	
Housing Futures – Revised Housing Revenue Account Business Plan (Ref 775)	To propose a revised Housing Revenue Account Business Plan.		Executive 8/3/2017 Reason 5 4/4/2017	27/03/2017	Bill Hunt Cllr Phillips	
Leamington Creative Quarter (Ref 866)	To delegate authority to agree the boundary of the Creative Quarter during the procurement process – confidential report.		Executive 04/04/2017	27/03/2017	Bill Hunt / Phil Clarke Cllrs Mobbs, Cross & Coker	

May 2017 – there are no scheduled Executive meetings at this time.

1 June 2017

Car Parking Strategy (Ref 790)	To consider the future off-street car parking needs of Leamington, Warwick and Kenilworth and how these should be addressed.		Executive 2/6/16 27/7/2016 Reason 3 01/06/2017	23/05/2017	Paul Garrison Cllr. Shilton	
Task & Finish Group – Houses in Multiple Occupation (Ref 865)	To consider the report and recommendations from the HMO Task & Finish group.		Executive 01/06/2017	23/05/2017	Cllrs Naimo, Mrs Cain Quinney, Davison, Thompson, Mrs Knight & Miss Grainger Cllrs Cross & Phillips	Residents Associations (various), Warwick University, Landlords Forum, WCC Councillors, Parish & Town Councils.
Members' Allowances Scheme (Ref 853)	To consider the recommendations of the Independent Review Panel with regard to Warwick District Councillors Allowances.		Executive 4/4/2017 Reason 3 01/06/2017	23/05/2017	Graham Leach Cllr Mobbs	
St Mary's Lands Warwick Golf Centre (Ref 843)	To consider the business case for an investment proposal. (Private and Confidential by virtue of paragraph 3 of Local Government Act 1972 - Schedule 12A following the Local Government (Access to Information) (Variation) Order 2006)		Executive 4/4/2017 Reason 3 01/06/2017	23/05/2017	Chris Elliott Cllr Butler	
Task & Finish Group – Off-street car parking charges review (Ref 864)	To consider the report and recommendations from the Off-street car parking Task & Finish group.		Executive 01/06/2017	23/05/2017a	Cllrs Quinney, Day, Mrs Cain, Mrs Stevens,	BID Leamington, Warwick District Chambers of Trade, WCC Park & Ride and WCC On-street

					Boad & Ashford P/H Cllr Shilton	parking and liaison
28 June 2017						
Fit For the Future Change Programme (Ref 839)	To update the Council's Fit For the Future Change Programme.		Executive 28/06/2017	20/06/2017	Andrew Jones Cllr Mobbs	
Risk Based Verification (Ref 846)	To seek approval for using Risk Based Verification for Benefit Claims		Executive 28/06/2017	20/06/2017	Andrea Wyatt Cllr Whiting	
St Mary's Lands Master Plan and Delivery Plan Implementation Update (Ref 842)	To consider the masterplan for adoption as the policy for the area and further decisions on its implementation.		Executive 28/06/2017	20/06/2017	Chris Elliott Cllr Butler	
Housing Related Support (Ref 854)	To approve new budgetary arrangements following a restructure of Housing Support Services.		Executive 28/06/2017	20/06/2017	Simon Brooke Cllr Phillips	
Linen Street Car Park (Ref 861)	To consider recommendations for redevelopment for the Linen Street Car Park facility		Executive 28/06/2017	20/06/2017	Paul Garrison Cllr Shilton	
Leamington Cemetery North Lodge (Ref 828)	To review the future use of Leamington Cemetery North Lodge.		Executive 4/4/2017 Reason 3 28/06/2017	20/06/2017	Rob Hoof Cllr Shilton	
July 2017						
HQ Relocation Project – outcome of phase 1 work (Ref 801)	To consider the outcomes of the phase 1 work and, if appropriate, seek approval for commencement of the phase 2 delivery works.		Executive 26/07/2017	18/07/2016	Bill Hunt Cllrs Mobbs, Whiting, Cross,	

					Shilton	
Final Accounts 2016/17 (Ref 847)	To report on the Council's outturn position for both revenue and capital.		Executive 26/07/2017	18/07/2016	Marcus Miskinis Cllr Whiting	
Corporate Asset Management Strategy (Ref 641)	To propose an Asset Management Strategy for all the Council's buildings and land holdings.		Executive 29/6/2016 Reason 6 1/9/16 Reasons 3 & 5 5/1/2017 Reasons 3 & 5 8/2/2017 Reasons 3 & 5	18/07/2016	Bill Hunt Cllrs Mobbs, Cross, Shilton, Coker & Whiting	
Abbey Fields, Parks for People Bid (Ref 863)	To consider bringing forward a tender to scope and consult on a Heritage Lottery funding bid for Abbey Fields		Executive 26/07/2017	18/07/2016	Richard Lunwood Cllr Shilton	

Section 2 Key decisions which are anticipated to be considered by the Council between August and November 2017

Topic and Reference	Purpose of report	If requested by Executive – date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
August 2017						
Budget Review Quarter One to include Financial Projections (Ref 848)	To report on the latest financial prospects for the current and future 5 years.		Executive 31/08/2017	22/08/2017	Andy Crump Cllr Whiting	
12 Month Review of Waste Container Charging Policy (Ref 857)	To review the waste container charging policy after 12 months of it being in effect.		Executive 31/08/2017	22/08/2017	Becky Davies Cllr Shilton	Waste container charging paper: Executive meeting – 10 February 2016 - Agenda item no.3 and Council – 24 February 2016 8 month review of waste container charges: Finance and Audit Scrutiny Committee – 7 Feb 2017 Agenda item no.9 and Overview and Scrutiny Committee – 7 Feb 2017 Agenda item no.7

Leamington Spa Car Parking Displacement Plan (Ref 844)	To set out the options available should vehicles be displaced from Covent Garden car park and to consider alternative parking options within Leamington Town Centre.		Executive 4/4/2017 Reason 2 31/08/2017	22/08/2017	Gary Charlton Cllr Shilton	
Car Park Fees and Charges (Ref 862)	To consider the recommendations for changes to car park fees and charges.		Executive 31/08/2017	22/08/2017	Paul Garrison Cllr Shilton	Warwick District Chambers of Trade and BID Leamington.
September 2017						
Fees and Charges (Ref 849)	To propose the level of fees and charges to be levied from 2 January 2018.		Executive 27/09/2017	19/09/2017	Andy Crump Cllr Whiting	
Article 4 Direction for Royal Leamington Spa Conservation Area (Ref 859)	To authorise the creation of an Article 4 Direction for Royal Leamington Spa Conservation Area, to restrict those permitted development rights that are potentially harmful to the appearance of the Conservation Area.		Executive 27/09/2017	19/09/2017	Nick Corbett Cllr Cross	
October 2017 – No scheduled reports at this time.						
November 2017						
12 Month Review of New Housing Allocations Policy (Ref 858)	To review the working of the new Housing Allocations Policy.		Executive 29/11/2017	21/11/2017	Ken Bruno Cllr Phillips	

Section 3 Key decisions which are anticipated to be considered by the Council but the date for which is to be confirmed

Topic and Reference	Purpose of report	History of Committee Dates & Reason code for deferment	Contact Officer & Portfolio Holder	Expansion on Reasons for Deferment	External Consultees/ Consultation Method/ Background Papers	Request for attendance by Committee
Private Sector Housing Grants Policy (Ref 658)	To propose a revised policy for the allocation of grant funding for private residents.		Ken Bruno Cllr Phillips	This will come forward in due course once the Future of Housing Adaptations Service has been determined		TBC
Council Development Company (Ref 727)	To consider a report on establishing a Council Development Company.	Executive 9/3/2016 2/6/2016 Reason 2 Reason 1 29/6/2016	Bill Hunt Cllr Phillips			
Revisions to the Constitution/ Delegation Agreement (Ref 819)	To request revisions to the Constitution/ Delegation Agreement with regard to the determination of Planning Applications.		Tracy Darke/Gary Fisher Cllr Cross	This is the subject of on-going discussion with key members		
Leisure Development – Phase II (Kenilworth) (Ref 803)	To agree the scope of Phase II.	Executive 28/9/2016 Reason 5	Rose Winship Cllr Coker			
HRA Asset Management and Development Policy (Ref 829)		Executive	Bill Hunt Cllr Phillips			

Strategic Opportunity Proposal (Ref 712)	To update Members on the current position. It is anticipated that this report will be, in part, Confidential by virtue of the information relating to the financial or business affairs of any particular person (including the authority holding that information).	Executive/ Council 03/09/15 30/09/15 02/12/2015 6/4/2016 2/6/2016 30/11/2016 Reason 3 5/1/2017 Reason 3 & 5	Chris Elliott Cllr Phillips	This item will be brought to Council on 22 February 2017, however it is not yet clear if Executive approval will be required for some aspects of the report.		
Recording and Broadcasting of Public Meetings (Ref 840)	To inform members of the research into the potential to record and broadcast all Council meetings as per the Notice of Motion to Council.	Council 29/6/2016 Executive 5/1/2017 8/2/2017 Reason 3	Graham Leach Cllr Mobbs	Currently being investigated in tandem with Council Chamber PA issues.		
Councillors IT (Ref 841)	To report back on the work of the Councillor IT Working Party.	Executive 5/1/2017 8/2/2017 Reason 3	Graham Leach Cllr Mobbs	Awaiting the outcome of Members' Allowances Review.		
Consideration of a Hackney Carriage Vehicle Limitation Policy (Ref 851)	To update members on the results of the WDC Hackney Carriage Unmet Demand Survey and: Meeting 1 – Introduce highlights of survey and propose a 6 week consultation on recommended options outlined in the survey. Meeting 2 – Update on the consultation & determine any change to policy, following the consultation.		Lorna Hudson Cllr Grainger	This report will go to Licensing & Regulatory Committee on 20/02/17 & 30/05/17 prior to being brought to Executive.	Taxi trade, local business, safer communities, disability, equality and other local group representatives, Town Councils, Police.	

					Questionnaire on website/email. CTS Traffic & Transportation Final Report - July 2016.	
WDC Enterprise – New Trading Arm (Ref 817)	To seek approval to establish a Local Authority Trading Company, to expand support provision whilst capitalising on existing skills to maximise income.	Executive 2/11/2016 Reason5 5/1/2017 Reason5 8/2/2017 Reason 5	Gayle Spencer Cllr Butler			
Events Review (Ref 832)	To review the provision and support of events in the District.	Executive 8/3/2017 Reason 4	Stuart Poole Cllr Butler			

Section 4 – Items which are anticipated to be considered by the Executive but are NOT key decisions

Topic and Reference	Purpose of report	If requested by Executive – date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
April 2017						
Rural Urban Community Initiative Scheme Applications	To consider applications for Rural and Urban Initiative Grants.		Executive 5/4/2017	27/03/2017	Jon Dawson Cllr Whiting	
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council.		Executive 5/4/2017	27/03/2017	Richard Barr Cllr Mobbs	
Local List of Historic Buildings	To authorise the creation of a Warwick District Local List of Heritage Assets, to protect those heritage assets that don't meet the national criteria for listing but which are worthy of protection due to their local heritage significance.		Executive 5/4/2017	27/03/2017	Nick Corbett Cllr Cross	
Housing Appeals and Review Panels (Ref 860)	To seek approval for streamlined processes for undertaking reviews of decisions undertaken in Housing Services and a move to officer led reviews to replace Councillor constituted Housing Advice and Review Panels undertaking these reviews		Executive 4/4/2017	27/03/2017	Simon Brooke Cllrs Mobbs & Phillips	

May 2017 – No scheduled Executive meetings at this time.

June 2017						
Rural Urban Community Initiative Scheme Applications	To consider applications for Rural and Urban Initiative Grants.		Executive 28/06/2017	20/06/2017	Jon Dawson Cllr Whiting	
July 2017 – No scheduled reports at this time.						
August 2017						
Rural Urban Community Initiative Scheme Applications	To consider applications for Rural and Urban Initiative Grants.		Executive 31/08/2017	22/08/2017	Jon Dawson Cllr Whiting	
Contracts Register Review	To review the Service Area's Contract Register		Executive 31/08/2017	22/08/2017	John Roberts Cllr Whiting	
September 2017						
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council.		Executive 27/09/2017	19/09/2017	Richard Barr Cllr Mobbs	
Rural Urban Community Initiative Scheme Applications	To consider applications for Rural and Urban Initiative Grants.		Executive 27/09/2017	19/09/2017	Jon Dawson Cllr Whiting	
October 2017 – No scheduled reports at this time.						
November 2017 – No scheduled reports at this time.						

Delayed reports:

If a report is late, officers will establish the reason(s) for the delay from the list below and these will be included within the plan above:

1. Portfolio Holder has deferred the consideration of the report
2. Waiting for further information from a Government Agency
3. Waiting for further information from another body
4. New information received requires revision to report

5. Seeking further clarification on implications of report

Details of all the Council's committees, Councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

**The forward plan is also available, on request, in large print on request, by telephoning
(01926) 456114**