

Finance and Audit Scrutiny Committee

Tuesday 5 April 2016

A meeting of the above Committee will be held at the Town Hall, Royal Leamington Spa on Tuesday 5 April 2016 at **6.00pm**.

Membership:

Councillor Barrott (Chair)	
Councillor Butler	Councillor Illingworth
Councillor Day	Councillor Mann
Councillor Gifford	Councillor Quinney
Councillor Harrington	Councillor Rhead
Councillor Heath	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.

3. **Minutes**

To confirm the minutes of the Finance & Audit Scrutiny Committee meeting held on 8 March 2016. **(To follow)**

Part B – Audit Items

4. **Internal Audit Strategy & Plan 2016/17 – 2018/19 and Internal Audit Charter**

To consider a report from Finance **(Item 4/Page 1)**

5. **Significant Business Risk Register**

To consider the report as set out on the Executive agenda for 6 April 2016

6. **Review of Finance Risk Register**

To consider a report from Finance **(Item 6/Page 1)**

7. **External Audit Reports**

To consider a report from Finance & External Auditors **(Item 7/Page 1)**

Part C – Scrutiny Items

8. **Scrutiny of Infrastructure Delivery Plan** - This item has been withdrawn from the agenda.

9. **End of Term Report 2015/16**

To consider a report from Democratic Services **(Item 9/Page 1)**

10. **Comments from the Executive**

To receive a report from Democratic Services **(Item 10/Page 1)**

11. **Review of the Work Programme & Forward Plan**

To consider a report from Civic & Committee Services **(Item 11/Page 1)**

12. **Executive Agenda (Non Confidential Items and Reports) – Wednesday 6 April 2016**

To consider 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. **(Agenda circulated separately)**

13. **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 paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

14. **Executive Agenda (Confidential Items and Reports) – Wednesday 6 April 2016**

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.

(Agenda circulated separately)

Published 24 March 2016

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Enquiries about specific reports: Please contact the officers named in the reports.

You can e-mail the members of the this Committee at
F&Ascrutinycommittee@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 6 April 2016		Agenda Item No. 4
Title	Internal Audit Strategic Plan 2015/16 – 2017/18 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 – 8 April 2015	
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	22 Mar 2016	Chris Elliott
CMT	17 Feb 2016	
SMT	17 Feb 2016	
Section 151 Officer	Various dates	Mike Snow
Monitoring Officer	Various dates	Andrew Jones
Human Resources		
Finance	22 Mar 2016	As Section 151 Officer
Portfolio Holder	22 Mar 2016	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 2016/17 – 2018/19 and the Internal Audit Charter for consideration and approval.

2 Recommendation

- 2.1 That Members consider and approve the Internal Audit Strategic Plan 2016/17 – 2018/19 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 2016/17 to 2018/19 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;

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).

v 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. Responses were received from all service areas.
- 8.6 Due to the need to match the planned audits with the staffing resources that are available it is sometimes not possible to accommodate all requests or suggestions coming from service areas. Fortunately, this has not been the case this year, mainly due to the relatively small number of changes suggested or requested.
- 8.7 As part of this assessment, it should be noted that the Equality and Diversity audit, planned for previous years but needing to be carried forward, has again been brought forward.

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

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	2016-17 (Days)	2017-18	2018-19
Corporate Governance	Risk of corporate governance arrangements not maintained effectively. Risk of not complying with key legislation or legal requirements, including failure to protect data.	Evaluate and report on effectiveness of overarching structures, procedures and monitoring arrangements with reference to relevant standards.	2014-15	5	✓	✓
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			✓
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 and major service disruption incidents in accordance with its statutory duties.	2014-15		✓	
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		✓	
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.	2012-13	10		
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		To be advised based on future IS/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			✓
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			✓

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

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	2016-17 (Days)	2017-18	2018-19
Corporate Property and Portfolio 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, income collection and progressing relevant provisions of Asset Management Plan.	2012-13	12		
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.	2013-14		✓	
Corporate Procurement	Risk of improper procurement practices and legislative requirements not being complied with. Risk of major contractor going into administration.	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.	2014-15	12		
Information Governance	Risk of not complying with key legislation or legal requirements, including failure to protect data.	Review of IT and Information governance arrangements in place to ensure ongoing compliance with legislation and regulations covering the storage and processing of data/information (including PSN, FoI and DPA).	2015-16		To be advised based on future IS/IT audit needs assessment	
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	8		
Medium Term Financial Strategy	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 control over preparation and maintenance of the Medium Term Financial Strategy to secure sufficient financial resource to meet the Council's priority objectives.	2013-14	7		
Financial 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 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.	2013-14	8		
TOTAL DAYS				62		

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

COVERAGE FOR EXTERNAL AUDIT RELIANCE OR TO MEET REGULATORY REQUIREMENTS

This section comprises areas that traditionally required Internal Audit input to satisfy the provisions of the joint working protocols with the external auditors and any other regulatory provisions.

Assignment Name	Assignment Objective	Year Last Audited	2016-17 (Days)	2017-18	2018-19
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.	2015-16	10	To be advised in light of developments under Welfare Reform Act	
Collection of Council Tax	Appraise adequacy of systems for compiling and maintaining local valuation list, assessing liability, billing, collection, enforcement and granting of reliefs.	2015-16	10	✓	✓
Collection of National Non-Domestic Rates	Appraise adequacy of systems for compiling and maintaining local valuation list, assessing liability, billing, collection, enforcement and granting of reliefs.	2014-15	10	✓	✓
Housing Rent Collection	Appraise adequacy of systems for rent setting, collection and accounting of rents due, and control of arrears.	2013-14		✓	
Housing Repairs and Maintenance	Appraise adequacy of systems for commissioning and paying for responsive repair work to domestic HRA properties.	2013-14	12		
Main Accounting System	Appraise adequacy of systems for ensuring complete and accurate accounting of all financial transactions and timely production of final accounts.	2013-14	10		
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			✓
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		To be advised in light of 2015-16 findings (payroll now outsourced).	
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			✓
Treasury Management	Appraise and report on the adequacy of controls in place to address the key risks in carrying out treasury management activities.	2014-15		✓	
TOTAL DAYS			52		

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

OTHER INTERNAL AUDIT COVERAGE

This section covers the auditable areas not directly linked with the Significant Business Risk Register or subject to external requirements to audit. 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 an IS/IT audit needs assessment commissioned from approved external contractors.

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	2016-17 (Days)	2017-18	2018-19
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	2011-12	10	To be advised based on future IS/IT audit needs assessment	
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			
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			
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			
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	2010-11	5		
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	None			
ICT Services	Patching and Firmware Updates	Assess whether an adequate patch management policy is in place and is applied consistently.	IT Audit Needs Assessment	None	5		
ICT Services	Public Services Network	Review to monitor progress and identify risks to achievement of target compliance date.	IT Audit Needs Assessment	2015-16			
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	2013-14	8		
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		✓	
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		✓	
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		✓	

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	2016-17 (Days)	2017-18	2018-19
Chief Executive	Media Services	Review of Media Services business processes (planning, resourcing, operation, performance/financial monitoring and recharging).	Service Risk Register	2013-14		✓	
Chief Executive	HR and Payroll - IT Application	To report a level of assurance on the controls in place to secure confidentiality, integrity and availability of employee payroll data processed under outsourced arrangement.	IT Audit Needs Assessment	2011-12		To be advised based on future IS/IT audit needs assessment	
Democratic Services	Document Management Centre	Evaluate adequacy of arrangements to secure economic, efficient and effective delivery of Document Management Centre functions, including proper adherence to core financial controls and safeguarding of information processed.	Service Risk Register	2013-14		✓	
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		✓	
Democratic Services	Electoral Registration	Assess adequacy of controls to ensure the accuracy and completeness of the Electoral Register and supporting data, that the canvassing processes incorporate appropriate risk management and insurance provisions and canvassers are correctly paid.	Service Risk Register	2015-16			✓
Democratic Services	Local Elections	Appraise controls in place to ensure that election fees are correctly calculated and paid, other bodies correctly recharged, and procurement practices, training provision, risk management and insurance arrangements are appropriate.	Service Risk Register	2015-16		Next audit timed for year of next WDC election.	
Deputy Chief Executive (AJ)	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		✓	
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	2011-12	10		
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		✓	
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			✓
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		✓	

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	2016-17 (Days)	2017-18	2018-19
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			✓
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	2013-14	10		
Housing and Property Services	Business Applications - MIS Housing and Corporate Property	Assess 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	2012-13	10		
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		✓	
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	2012-13	10		
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		✓	
Housing and Property Services	Private Sector Housing Grants	Review of systems to ensure that all awards of grant are bona fide and within available budget, and that the conditions of award are met.	Service Risk Register	2015-16			✓
Housing and Property Services	Lettings and Void Control	Appraisal of systems to ensure statutory compliance, adherence to the approved allocation scheme and effective HRA stock turnaround.	Service Risk Register	2014-15		✓	
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			✓
Housing and Property Services	Council House Sales	Appraisal of arrangements to ensure compliance with legislation, efficient and effective processing of applications and adherence to conditions.	Internal Audit Needs Assessment	2006-07	8		
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			✓

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	2016-17 (Days)	2017-18	2018-19
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		✓	
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		✓	
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	10		
Housing and Property Services	Plant Maintenance	Assess management systems to ensure proper, cost-effective repair and maintenance of major heating and ventilation plant.	Service Risk Register	2011-12	8		
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			✓
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		✓	
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.	Outcome of Special Investigation	None	8		
Cultural Services	Royal Spa Centre	Assess adequacy of control over on-site operational and financial activities.	Service Risk Register	2014-15		✓	
Cultural Services	Royal Pump Rooms (including Art Gallery)	Assess adequacy of control over on-site operational and financial activities.	Service Risk Register	2015-16			✓
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		✓	
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			✓
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	2011-12	10		
Cultural Services	Community Leisure Facilities	Assess adequacy of control over on-site operational and financial activities	Service Risk Register	2014-15		✓	

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	2016-17 (Days)	2017-18	2018-19
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			✓
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	2013-14	7		
Cultural Services	Newbold Comyn Leisure Centre	Assess adequacy of control over on-site operational and financial activities.	Service Risk Register	2014-15		✓	
Cultural Services	St Nicholas Park Leisure Centre	Assess adequacy of control over on-site operational and financial activities	Service Risk Register	2015-16			✓
Cultural Services	Castle Farm Recr. Centre & Abbey Flds. Swim. Pool	Assess adequacy of control over on-site operational and financial activities	Service Risk Register	2015-16			✓
Development Services	Economic Development	Appraise systems in place for managing economic development activity to ensure that resources are deployed economically, efficiently and effectively to achieve priority objectives and targets.	Service Risk Register	2014-15		✓	
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		✓	
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		✓	
Development Services	Building Control	Report a level of assurance on the adequacy of systems in place to deliver building control services economically, efficiently and effectively in accordance with statutory requirements and applicable standards.	Service Risk Register	2015-16	14		
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		✓	

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	2016-17 (Days)	2017-18	2018-19
Development Services	Conservation and Design	Report a level of assurance on the adequacy of controls in place to ensure that grants schemes are properly administered within approved funding levels and that consultative and promotional functions are delivered economically, efficiently and effectively	Service Risk Register	2013-14	7		
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			✓
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	2011-12	8		✓
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		✓	
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			✓
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			✓
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		✓	
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	2012-13	10		
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			✓
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		✓	
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		✓	

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	2016-17 (Days)	2017-18	2018-19
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	2013-14	10		
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	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		✓	
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	2012-13	10		
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		✓	
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		✓	
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			✓
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	2013-14	13		
Neighbourhood Services	Grounds Maintenance	Appraisal of processes for determining grounds maintenance requirements, scheduling, setting standards and contract management.	Service Risk Register	2013-14	10		
Corporate Functions	Equality and Diversity	Evaluate and report on the adequacy of systems for ensuring statutory compliance, adherence to policies and achieving key performance objectives.	Service Risk Register	2009-10	9		
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	2013-14	8		
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.	Internal Audit Needs Assessment	None	10		
					238		

STRATEGIC AUDIT PLAN 1ST APRIL 2016 TO 31ST MARCH 2019

OTHER FUNCTIONS AND RESOURCE BALANCING

Category	Function	Days (2016-17)
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)	20
TOTAL OTHER FUNCTIONS		90
TOTAL RISK BASED COVERAGE		62
TOTAL COVERAGE FOR EXTERNAL REQUIREMENTS		52
TOTAL OTHER AUDIT COVERAGE		238
TOTAL AUDIT DAYS REQUIRED		442
TOTAL INTERNAL AUDIT DAYS AVAILABLE *		364
ESTIMATED DAYS CONTRACTED OUT (IT AUDIT)		78
Total Estimated Resources Available		442
SURPLUS / SHORTFALL (-)		0

*** Total Internal Audit Days Available**

Total Days for 2.2 FTE 578

Less:

Absence (Annual Leave, Statutory Holidays, Sickness, etc) 102

Management, Administration & Training 112

Target productive time (days) 364

Target productive time as % of available time 74%

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 activity 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 and 2011 Regulations) require that a local authority "must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".

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 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.

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

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 Management

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.

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 also shares information with relevant partners, including with government via the National Fraud Initiative, to increase the likelihood of detecting fraudulent activity, and of reducing the risk of fraud to all.

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 section 6 of the Accounts and Audit (England) Regulations 2011, Internal Audit will make arrangements for the conduct of a review of the effectiveness of internal audit.

The review is designed to ensure that the opinion given in the Annual Report of the Audit and Risk Manager may be relied upon as a key source of evidence in the Annual Governance Statement.

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 & AUDIT SCRUTINY 05 April 2016		Agenda Item No. 6
Title	Review of Finance Risk Register by Finance & Audit Scrutiny Committee	
For further information about this report please contact	Mike Snow Head of Finance Tel: 01926 456800 email: mike.snow@warwickdc.gov.uk or Richard Barr Audit & Risk Manager Tel: 01926 456815 email: richard.barr@warwickdc.gov.uk	
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	12 January 2016 – Finance & Audit Scrutiny Committee (last service risk register review)	
Background Papers	WDC risk management policy & guidelines	
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 report approval all reports <i>must</i> be approved as follows		
Title	Date	Name
Chief Executive/Deputy Chief Executive		Chris Elliott/Andrew Jones
Head of Service	Co-author	Mike Snow
CMT		
Section 151 Officer		Mike Snow
Monitoring Officer		Andrew Jones
Finance		As per S151 Officer
Portfolio Holder(s)		CLlr Peter Whiting
Consultation & Community Engagement		
None other than consultation with members and officers listed above.		
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 Finance Risk Register.

2 **RECOMMENDATIONS**

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

3 **REASON FOR THE RECOMMENDATIONS**

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

4 **POLICY FRAMEWORK**

- 4.1 The Finance 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 1A.

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 **RESPONSIBILITY FOR RISK MANAGEMENT**

- 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."

9 **BACKGROUND**

9.1 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.

9.2 The full framework endorsed by Executive at that meeting is set out as Appendix 3.

9.3 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 April Executive meeting).

10 **FINANCE SERVICE RISK REGISTER**

10.1 **Introduction**

- 10.1.1 The latest version of the Finance Risk Register is set out as Appendix 1 to this report. The register has been updated in the last few weeks.
- 10.1.2 Finance also maintains a summary table as a supplement to the Risk Register to manage their key risks more closely. This is set out as Appendix 1B.
- 10.1.3 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 2 sets out the guidelines that are applied.
- 10.1.4 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.

10.2 **Overview of Finance Risk Management**

- 10.2.1 The Finance Risk Register is owned and managed by the Finance Portfolio Holder & the Finance Management Team. Risks are reviewed at 4-weekly Finance Management Team meetings and with the Portfolio Holder at quarterly meetings.
- 10.2.2 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 1B, allowing officers to track the history of the risk and the impact of mitigation.
- 10.2.3 The 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 specific to a particular part of the service. Sitting beneath this Risk Register are a series of detailed risk assessments within each part of the service that 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. There are also the Service Area Crisis Plan and Business Continuity Plans which address emergency situations.

10.3 **Finance Service Risks**

- 10.3.1 Finance is responsible for the provision of a wide range of services. The risk register (Appendix 1A) includes generic risks at the start of the document. These are divided in to various categories. Service-specific risks are then listed, relevant to the various sections of the service.
- 10.3.2 There are 33 risks contained in the Risk Register; 22 are service-specific risks and the remainder are generic risks. Details of the main risks are described in 10.3.3. The table in Appendix 1B summarises changes over the last six months.

10.3.3 The three main risks within the service are considered to be:

- § **Risk 1– Loss of IT.** As a financial service this would have major implications. In the short-term the issue could be managed without too much concern but would cause problems longer-term. An effective response to this is based on having sound business continuity plans and a lot of time has been invested corporately and within the service ensuring that these are in place.
- § **Risk 7 – Loss/shortage of staff.** Absences of key members of staff can cause problems in such a relatively small service. We have experienced this during the past year. Although interim staff can be acquired fairly readily there is inevitably a reduction in service, particularly in the short term. The main responses to this risk are up-to-date procedure manuals and effective business continuity plans.
- § **Risk 13 – Inaccurate medium term financial plans.** Although it is felt that the risk is well managed, and therefore the likelihood of occurrence is very low, the impact should the risk materialise makes this a high risk event overall. The provision of a 4-year financial settlement has lessened the risk.

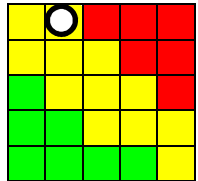
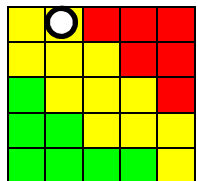
It should be noted that corporate and strategic financial risks are not included on the Finance Risk Register. These are set out on the Significant Business Risk Register. The Finance Risk Register contains internal service-based risks.

10.4 **Review of Risk Register by Members**

- 10.4.1 It is proposed that Members should review the risk register set out as Appendix 1A, 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 Finance on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.

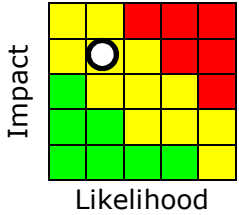
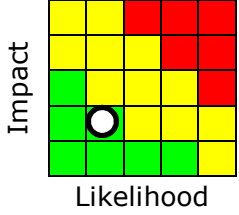
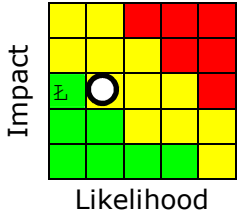
Finance Risk Register

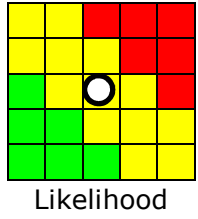
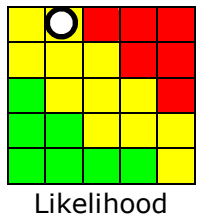
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
Generic Risks						
1. Loss of IT.	<p>Computer breakdown. Technology problems. System problems, including hacking. Reliance on key staff. Acts of God e.g. fire, hurricane, flood. Power failure. Failure of WCC system or support. Pressures on WCC and their resources. Malicious acts by employee. Reliance on key staff.</p>	<p>Unable to issue bills update accounts, provide information, take recovery action, issue receipts, collect money. Loss of revenue to Council and other Local Authorities (depends on timing). Cost implications. Poor data. Uncontrolled budgets. Dissatisfied customers (and staff). Damaged reputation. Resource implications for rectification. Staff not paid. Unable to pay benefit claimants, suppliers, staff Staff morale. Loss of switchboard.</p>	<p>IT support. System provider helpdesk. Contract with software supplier to maintain FMS training needs. Well trained staff. Adequate cover. Business Continuity Plan. Back-ups. Manual records for certain activities. System controls. Duplicate records. Procedure notes. Audit testing. Good plans- UPS devices (temporary power boxes linked to PCs). Regular testing of Card Readers at home.</p>	<ul style="list-style-type: none"> Review upgrade and test Business Continuity Plans. Divs to review and update their BCPs - all to be complete by end January 2016. Switchboard operators to re-locate to area in RSH backed up by generator. Amend answerphone messages on telephony system to provide alternative contact numbers. 	<p>Divisional managers.</p> <p>Benefits Manager.</p>	
2. Loss of key records.	<p>System failure. Accidental disposal. Theft – particularly of IT servers. Inadequately trained staff. Out of date Document Retention Policy.</p>	<p>Unable to provide service. Possible litigation. Financial loss. Bad publicity. Reputation damage. Loss of confidence. Resource implications for replication. Staff morale. Pressures on staff. Litigation.</p>	<p>IT able to restore systems. Staff training. Secure storage and disposal of sensitive paper documents. GCSX secure communication line (name has changed). Corporate Document Retention and Disposal Policy. CoCo compliance Archiving options reviewed in line with corporate retention policy.</p>	<p>Graham has agreed to complete review of Corporate Document Retention Policy and issue revised guidance by end of calendar year. Mike to monitor progress.</p>	<p>Democratic Service Manager and Deputy Monitoring Officer / Head of Finance.</p>	

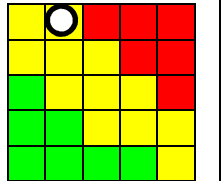
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
3. Loss of office accommodation.	Fire. Denial of access.	Unable to provide services. Staff morale. Financial loss.	Work at home. IT disaster recovery plan. Business continuity plan critical services identified. HSBC authorisation able to be done from home. Homeworking for banking arrangements, including payments. Procedure Manual (with BCP)	Sam Collins to review Finance's BCP – mtg held with Sam 16.03.16. Revised BCP to be produced by end April 2016. (Head of Finance – end Jan 2016) Amend telephone answerphone messages to provide alternative contact numbers.	Head of Finance. Benefits Manager.	
4. Physical harm to staff.	Customer dissatisfaction. Accident. Intruders in offices. Staff in building very early and / or very late. Violence / threatening customers.	Verbal abuse. Actual physical injury. Health and safety investigation. Traumatized staff. Stress. Staff pressures. Death. Staff morale.	Health and Safety. Mobile phones. Compliance with lone worker procedures. Staff alert list. Tunstall procedure. Physical security measures. e.g. screens, working in pairs, personal alarms. Training. Policies. Reporting / monitoring procedures.			

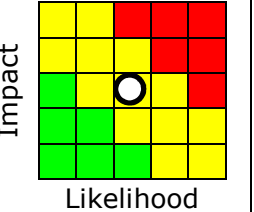
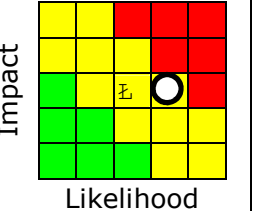
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
5. Fraud (non Benefit) / Corruption.	Dishonest staff, customer, suppliers. Collusion. Lack of controls. Poor systems. Abuse. Exploitation. Poor control mechanisms. Poor audit processes. Poor management. Fraudulent insurance claims. Aggrieved staff.	Financial loss. Resource implications for investigation. Reputational damage. Adverse publicity. Loss of credibility. Staff morale.	Monthly / quarterly budget review. Established documented procedures. CRB checks (where appropriate). Procedure manuals. Audit Regime. Audit trails. Annual petty cash certification. National Fraud Initiative. Robust computer systems. Good IT security. Codes of conduct. System and processing controls e.g. segregation of duties. Whistle blowing policy Fidelity guarantee insurance Anti fraud & corruption strategy Membership of NAFN. Reconciliations (e.g. bank recs) Cash checks undertaken by Internal Audit.	Corporate Fraud Officer to organise on going fraud awareness campaign. Benefits Manager to agree timetable.	Benefits Manager.	
6. Failure to communicate effectively	High workload. Reliance on key staff. Staff absence. Human error. Home working. Inappropriate form of communication. Poor communication with partners/providers. Poorly trained customer service staff.	Incorrect information used to carry out work. Financial loss. Additional workload. Staff morale. Stress. Reputational damage. Service failure. Failure to relay messages.	Monthly team meetings. One-to-ones. E-mail. Core brief. Intranet. Circulation of minutes from meetings. Corporate communication strategy. Staff training. Cultural changes. Whistle-blowing policy. SMT de-briefings. Continue to bring significant issues to line management attention as they arise. (All staff – ongoing)			

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
7. Loss / shortage of staff (leading to loss of skills, knowledge & capacity).	Dependency on key staff. Long term sickness. Redundancy. Reduced resilience / capacity from reducing staff numbers. Union action. Bereavement. Transfer of HB fraud staff to the single fraud investigation service. Threat of work transferring to DWP due to roll out of universal credit. Time taken to recruit.	Unable to supply service. Financial loss. Error. Reduced Service. Potential breach of law. Increased pressure on staff. Staff morale. Customers waiting an unreasonably long time for payments of Housing Benefit resulting in homelessness. Increase in fraudulent activity by the public. Fraud going undetected.	Operational / procedures and controls. External assistance. External expertise, use of agency staff. Appropriate cover by other team members. Use of agency staff and apprentices. Workforce planning e.g. Succession planning. Prioritisation of work plan. Treasury Management Practices. Management of staff leave & absence. Experienced staff. New role created for Corporate Fraud Officer. Proactive anti fraud campaign Recruit apprentices on short term contracts to protect current experienced staff. Provide ongoing re-assurances to current staff. Introduction of E forms and Risk Based verification.	Sam Collins to review Finance's BCP – mtg held with Sam 16.03.16. Revised BCP to be produced by end April 2016. Ongoing review and updating of Procedure Manuals. (FMT – Sept 2014 and then ongoing)	Divisional managers.	<p>Impact</p> <p>Likelihood</p>
8. Provision of incorrect information / advice to stakeholders (benefit claimants, taxpayers, suppliers, WDC staff, members, business rate payers).	Untrained staff. Not up to date with legislative changes. Short deadlines. Pressure on staff. Call centre staff poorly briefed. High turnover of staff. Ability of Contact Centre to cope during periods of high customer demand. Change in CRM system.	Financial loss. Embarrassment. Loss of credibility. Judicial review. Compensation. Reputational. Greater pressure on back office.	Training. Guidance notes. Procedures. CPD. External professional advice. Legal advice. Internal/external audit. Secure systems. All frontline staff, i.e. Call centre and one-stop shop staff, trained and scripts up to date. Keep Procedures Notes and Procedure Manuals up-to-date.			<p>Impact</p> <p>Likelihood</p> <p>This will have reduced because we have our own customer service staff and now have better control over their training etc.</p>

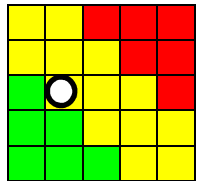
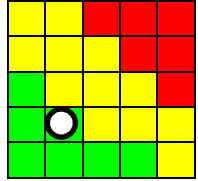
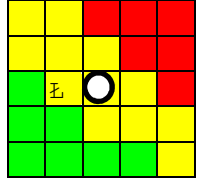
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
9. Breaches of Health and Safety legislation.	Home working. Driving for work. D.S.E. / V.D.U. usage. Manual handling. Person falling from height. Items falling from height. Deteriorating condition of Riverside House.	Sickness absence. Stress. Injury. Death. Legal action. Penalties/Fines.	Corporate health and safety policy including Home working and Driving at work. Eye tests. Regular DSE assessments. Health and safety risk assessments (AssessNET). Training available. Insurance cover. Health & safety on team meeting agendas. Home working policy. Ongoing DSE assessments. Review of DSE assessments by SMT. Regular health & safety reviews.	Ian Carden to confirm that we are up-to-date with DSE assessments. (Mike Snow – by August 2015.)	All staff.	
10. Failure to deliver projects and / or programmes within the service.	Lack of resources. Poor planning. Lack of time. Lack of knowledge. Staff absence.	Core work disrupted. Financial loss. Reputation damage. Staff morale.	Project planning. Prince II. Project risk registers. Consultation.			
11. Data protection and Freedom of Information compliance breach.	Poor / inadequate training of staff. Give out personal information. Hold inappropriate information. Information not stored securely. Staff absence. Misdirection of post. Information/subject access requests not promptly actioned. Letters sent to wrong people containing personal data	Breach Data Protection legislation. Investigation. Litigation. Financial loss – fines, compensation. Reputational damage.	Adequate training for staff. Document retention policy. Encryption of data. GCSX. Information security policy. Data protection policy / staff guidelines. Stapling letters Checking regime prior to passing to printroom. Implementation of meta compliance.	Corporate review of data protection / FoI governance by Democratic Services Manager. (Mike to pursue.) Head of HR & OD confirmed that training will be given as part of corporate training programme following the review by Democratic Services Manager.	Head of Finance. System owners.	 <p>This event has actually occurred so likelihood score needed increasing.</p>

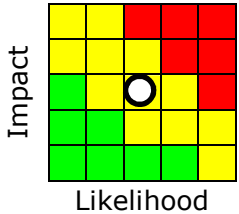
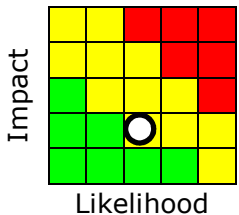
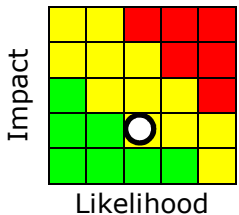
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
Service-specific Risks						
12. Failure to correctly monitor / manage Finance budget.	Poor estimating. Poor control mechanisms.	Over / under spends against agreed Budget. Not factored in to future years' projections. Failure to identify incorrect payments.	Monthly Budgetary Review system and reconciliations in place. Appropriate financial training for relevant Finance staff. Realistic budgets. Ongoing Review of Budget Review System. Training provided on Code of Financial Practice.			
13. Inaccurate medium term financial plans / forecasts (excluding external factors identified in SBRR).	Decision-making on a whim (Unplanned decision-making). Changed local priorities. Lack of specific guidance on funding from central government. Lack of clarity in Corporate Planning and co-ordination with service requirements. Service changes not communicated to staff in Finance. Human error. Unexpected council tax funding decisions by central government.	Savings under / overstated. Unstable finances. Stop-go expenditure. Impact on service provision. Big surprise politically at council tax and budget setting. Local implications of unexpected council tax funding decisions by central government. Loss of credibility.	Good linked service planning / risk management and budget preparation. Continual updates and reporting. Monitoring the political environment. Joined up thinking. Regular reconciliations. Presentation to Members. Improved communications to promote awareness of all future developments. Scrutiny of Executive reports. Budget review process. Ensuring liaison between Service Heads and Portfolio Holders. Access to specialist consultancy advice.			 <p>Provision of 4-year financial settlement, making amount of external funding less critical, plus implementation of MTFS reduces likelihood.</p>

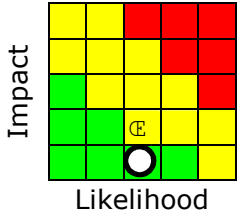
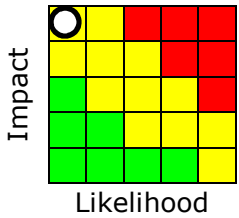
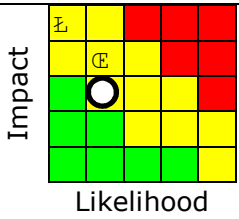
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
14. Poor day to day treasury management of bank balances; borrowing; cash flow; investments and interest rate volatility.	<p>Inexperienced staff.</p> <p>Lending outside of Council's counterparty lists or exceeding deposit limits with individual borrower.</p> <p>Collusion.</p> <p>External pressure to achieve unrealistic returns.</p> <p>Out of date information.</p> <p>Investing in wrong part of market.</p> <p>Not able to carry out daily function.</p> <p>Dependence on key staff.</p> <p>Unforeseen economic events e.g. recession.</p>	<p>Financial loss.</p> <p>Reputational loss.</p> <p>Adverse publicity.</p> <p>Failure to achieve PIs.</p> <p>Council has inappropriate bank accounts.</p> <p>Poor budgeting as a result.</p> <p>Unable to finance statutory payments.</p>	<p>Fully trained staff.</p> <p>Adherence to Code of Practice / Treasury Management Policy and Strategy, TM Strategy approved by Members.</p> <p>Separation of duties.</p> <p>Up to date counterparty (bodies we invest with) lists.</p> <p>Use of, and regular meetings with, Treasury Management consultants.</p> <p>Up-to-date procedure manual and duplicate records.</p> <p>Continually update counter-party list.</p> <p>Review of criteria ongoing.</p> <p>Regular reports to F&A.</p> <p>Scrutiny committee.</p> <p>Treasury Management Practices.</p> <p>Continuing to update counter-party list</p> <p>HSBC authorisation.</p> <p>Recent intervention has improved robustness of service.</p> <p>HRA self-financing project board risk register.</p> <p>50-year HRA business plan.</p> <p>Housing Interim Project Board.</p>			 <p>Impact</p> <p>Likelihood</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
15. Additional Value Added Tax liabilities.	<p>Loss of key staff.</p> <p>Lack of up to date knowledge.</p> <p>Staff not properly informed by Service Areas.</p> <p>Lack of understanding.</p> <p>Lack of engagement by services areas with Finance staff.</p> <p>VAT implications of new projects not considered.</p> <p>Finance not involved in projects at early stage so VAT implications of new projects not considered.</p> <p>Improper administration.</p> <p>Delays in processing.</p>	<p>Failure to meet deadlines and errors leading to financial loss - penalties, fines.</p> <p>Reputation.</p> <p>Staff morale.</p> <p>Partial exemption breached.</p> <p>Opportunities to recover VAT are missed.</p> <p>Increased project costs.</p>	<p>VAT return reviewed by line management and another accountant.</p> <p>Access to VAT Help Desk.</p> <p>Internal audit.</p> <p>VAT audit.</p> <p>Robust, well-trained staff in service areas (particularly FSTeam).</p> <p>Coverage from Asst Accountant.</p> <p>VAT accountant and cover advise on project structure.</p> <p>Monitoring against limit.</p> <p>Provide and maintain up-to-date guidance on VAT and make available to all staff.</p> <p>Procedure notes for calculations.</p> <p>Adequate training.</p> <p>Careful scrutiny of Executive Reports.</p> <p>Finance representation on project boards.</p> <p>Delays in manually processing VAT allocations.</p> <p>Implementation of automatic allocation of VAT at source.</p> <p>Debtors Training run.</p>	<p>Ensure relevant staff are up-to-date with VAT rates and changes. (Assistant Accountant – ongoing)</p> <p>Implement greater centralisation of sundry debtor invoices. From 1 April 2016. (Head of Exchequer Services)</p>	Strategic Finance Manager.	 <p>Impact</p> <p>Likelihood</p>
16. Insufficient Housing Benefit Subsidy and Admin Grant received from Central Government.	<p>Lack of guidance / support from central government.</p> <p>Poor estimating.</p> <p>Poor monitoring mechanisms.</p> <p>Universal credit.</p> <p>Cut in grant.</p> <p>Reduction subsidy.</p> <p>Increased take-up.</p> <p>Poorly trained staff.</p> <p>Incorrect calculation of awards.</p>	<p>Negative material budget variations.</p> <p>Uncertainty of consequences regarding universal credit.</p> <p>Financial pressure for the council.</p> <p>Repayment of subsidy.</p>	<p>Quarterly estimate update</p> <p>Additional senior benefit assessment officer enables accuracy checking for individual staff.</p> <p>Monthly monitoring.</p> <p>Scheme for council tax reduction</p> <p>Monitoring the economic environment (e.g. through LG Futures).</p> <p>Internal and external audit.</p> <p>Where auditing regime identifies errors, ensure appropriate action taken.</p>			 <p>Impact</p> <p>Likelihood</p> <p>Increased likelihood due to roll out of Universal Credit leading to a reduction in admin grant.</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
17. Failure of a banking service e.g. BACS or systems at one bank	Failure of BACS system Failure of CHAPS WDC website unavailable Failure of bank systems Telecommunication failure	Customers and suppliers not paid causing hardship Customers unable to pay WDC resulting in recovery action Complaints Bad publicity Litigation Cash flow Financial loss. Unable to reconcile bank balances.	Use available alternative payment methods e.g. typing up cheque, going down to bank, obtaining cash, purchasing card. Bank Contract re-tendered in line with Plan Timetable.			
18. Ineffective / inappropriate insurance cover.	Poor risk analysis. Inadequately trained staff. Poor procedures. Lack of internal communication particularly regarding projects. Exclusions within policy wording. Insurance invalidated by actions of WDC or contractor. WDC fined. Claim for uninsurable risk e.g. compensation due under statute, asbestos exposure, Chancel repair liability, TPO work refusal. Liability claim received where insurer no longer exists.	Financial loss. Increased premiums. Loss of reputation. Political embarrassment. Losses not insured. Insurers don't pay.	Operational/procedures and Manual. Brokerage assistance. Insurer expertise. Risk Management Group. Claims handling system. Annual Report to SMT raising awareness of need to notify Insurance Officer. Staff cover arrangements being put in place. Insurance arrangements publicised on intranet so that services are aware of their obligations e.g. to notify Insurance & Risk Officer of insurable events and risks. Annual report to SMT.			
19. MMI Scheme of Arrangement triggered.	Insurer in run-off and no longer likely to be able to meet all claim so scheme triggered.	Have to reimburse MMI for some/all of the claims they have paid since September 1993. Any claims received that should be paid by MMI won't be paid in full. Insurance reserve insufficient.	Insurance reserve covers 67% towards potential claims. On-going monitoring of the situation. Level of insurance reserve reviewed.			

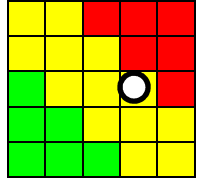
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
20. Increase in insurance claims numbers and/or cost.	Ministry of Justice reforms Departments settle claims without going through insurance and set precedent for claims being paid. Word gets round that claims are being settled.	Financial loss. Claims being settled too high. Insurance cover invalidated. Premium increase.	Good record keeping. Contact details for claims are on new intranet. Code of Financial Practice 14.4 Details of how to claim are on the website. Monitoring plus analysis of claims. Inspection regime – health and safety inspections. Responsive planned repairs. Training arranged for Senior Officers in March by Audit & Risk Services. Completion of Code of Financial Practice training. Ensure ad-hoc updates provided when claims settled. Continue issuing SMT updates and Core Briefs. (Insurance & Risk Officer – Ongoing.)	Quarterly reports to SMT on claims and incidences. (Insurance & Risk Officer – Ongoing.) Ensure inclusion in all service risk registers and/or service area plans. Deal with at RMG meetings. (Audit & Risk Manager.) Training Officer has confirmed that all new starters automatically receive Code of Financial Practice as part of the Meta Compliance.	Head of Finance Heads of all Service Areas.	 Likelihood
21. Failure of insurance company.	Market conditions. Recession. Major disaster. Company has not been underwriting risks profitably.	No external insurance provision. Financial loss. Uncertainty. Need to arrange quickly alternative emergency cover that may be expensive and not as good.	Credit risk of insurer. Insurance reserves. Procurement process. External broker advice.	Review Zurich Municipal share price regularly. Consider alert if drops by 5% (Mike – Ongoing.) Investigate share price alerts vis-à-vis phone apps. (Audit & Risk Manager for Mike.)	Head of Finance.	 Likelihood Likelihood initially overstated due to MMI experience. Extremely unlikely to re-occur.
22. Council tax, NNDR and customer bills can't be issued or are delayed.	Postal Strike. IT failure. Failure of DMC / Print Services. Software supplier fails to deliver changes correctly or timely. Referendum. Delay in setting Council Tax. Legislative changes.	Bills not paid by customers. Loss of revenue to Council and other Local Authorities (depends on timing) Cost implications of rectification. Bills not served in accordance with legislation. Cash flow issues. Software unable to cope with changes in timely fashion.	In-house production and dispatch of bills. IT support. System provider helpdesk. E-billing. Weekend working. Overtime. Treasury Management. Alternative year-end back-up plan (council tax setting delayed) Revert to contingency plan			 Likelihood Change of stance from Government over Ctax increases. Referendums now extremely unlikely.

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
23. Failure to pay Housing Benefits, delay in making payment, incorrect amount paid, failure to calculate and advise as to entitlement.	System failure. Staff shortage. Poorly trained staff. Increased workload. Introduction of universal credit and uncertainty thereof. Increase in staff turnover. DWP/Job Centre delays in sending information, or sending incorrect information. Legislative changes.	Customers distressed due to rent arrears. Staff stressed. Absence and health issues. Financial loss. Tenants made homeless. Reputational. Software unable to cope with changes in timely fashion.	Weekly performance monitoring (service plan). Internal audit. Grant claim is externally audited. Forward Planning. Team Leader monitors performance. Ongoing training. Checks by senior assessor. Agency staff. Regular meetings with all relevant bodies, including DWP.			
24. Qualified opinions; Late accounts; Late Government Returns.	Dependence on key staff. High workload. Staff shortages e.g. long term sickness. Change of duties of staff. IT system failure. Guidance coming out late. Flawed guidance. Accounts challenged by members and public. Inadequate and inaccurate record-keeping.	Inappropriate information. Reputation. CPA Governance failure. Absence and health issues for staff. Morale. Financial penalties. Increased audit fees. Staff time / additional pressure.	Timetables for closure of accounts and budget setting. Monitoring of key returns / reconciliations. Rotation in staff duties allows sharing of knowledge. Asset reconciliation work. System and processing controls (SPC). Audit liaison. Officer training. CPD. Workforce planning.			
25. Shared service failure e.g. NNDR shared service.	Stratford District Council terminate NNDR shared service.	Loss of resilience. TUPE implications. Cost. Staff morale. Service failure.	Memorandum of understanding. Letter of variation. Regular meetings. 18 month notice period. Supplier has appropriate contingency arrangements. Separate risk register in place.			

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
26. Creditor payment error e.g. overpaying, paying twice.	Human error. Staff shortage. Duplicate invoices. System error / failure. Fraud (including fraudulent invoices).	Financial loss. Reputation. Additional workload. Loss of investment interest.	National Fraud Initiative. Staff knowledge. Staff cover. Code of financial practice. Separation of duties. Manuals. Reconciliations. Budget monitoring. System controls (to prevent fraud). Ongoing review of processes and process manuals. NAFN membership. Centralised processing of invoices. Ongoing Order training. Utility invoices now entered on Total and they go to fsteam top process payment.			 <p>Centralisation has enabled greater specialism and therefore more expertise, resulting in risk reduction.</p>
27. Procurement of services by Finance non-compliant with legislation.	Finance Dept not following Procurement Code of Practice. Staff shortage. Absence of key staff. Lack of staff training.	Financial loss. Litigation. Loss of reputation. Confidence of contractors. Delay in awarding contract. Failure to secure best value. Cost of rectification. Morale. Staff pressures. Successful challenge.	Procurement Manager and Assistant in Post. Procurement documentation in place. Procurement training. Procurement software in place. Procurement action plan. Working with other network groups e.g. centre of excellence. Insurance. Use of external expertise. Ongoing Order training. Ongoing reviews of contract register.			
28. Council Tax set is illegal, late or incorrect.	Incorrect resolution. No estimates. Other preceptors don't deliver information or it is incorrect (e.g. typing error). Referendum. Reduction. Government changes to Regulations / Intervention.	Rebilling. Cost of rectification. Cash flow issues. Reputational damage. Legal challenge. Staff morale. Staff pressures.	Monitoring timetable. Budget timetable. Keeping up to date with developments. Checking of figures and papers. CTB1 reconciliation spreadsheet checks.			 <p>Referendums unlikely. In-house management of annual billing means we are better equipped to cope with delays in setting ctax.</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
29. Failure to produce cheques.	Failure of equipment. System failure. Inadequate stock level. Staff shortages.	Customers don't get paid causing hardship. Bad publicity. Dissatisfied customers. Staff morale.	Manual production of cheques. 81% of customers now paid by BACS. More customers encouraged to receive payment by BACS payments. Make payment by CHAPS. Procedure notes. Use available alternative payment methods e.g. typing up cheque, going down to bank, obtaining cash.			<p>Less likely due to increase in payments now made by BACS.</p>
30. Inadequate Internal Audit Plan.	Limited or ineffective consultation. Incompetent head of internal audit. Senior management and/or Members misdirect resources.	Poorly prioritised assignments. Problems go undetected. Reduced assurances re Annual Governance Statement. More external audit – unable to rely on internal audits.	Extensive consultation process. Properly qualified and experienced head of internal audit. Senior management and Member support for internal audit function. Peer review of internal audit function. Professional standards.			
31. Internal Audit Plan substantially uncompleted.	Staff turnover. Diversion of resources. Poor productivity. No cooperation / management support.	Problems undetected. Reduced assurances re Annual Governance Statement. More external audit – unable to rely on internal audits.	Prioritisation mechanism. Buy in resources. Peer review action plan.			

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
32. Reduced Collection of Council Tax income.	<p>Debts not being collected or controlled.</p> <p>Lack of clear debt recovery policy.</p> <p>Changes to Bailiff Charging Scheme.</p> <p>Council tax avoidance tactics.</p> <p>Poor procedures and / or lack of manual.</p> <p>Irregular monitoring.</p> <p>System failure.</p> <p>Lack of procedures manual.</p> <p>Change of customer circumstances e.g. unemployment.</p> <p>Loss of staff expertise.</p> <p>Diminishing knowledge base regarding specialist debts.</p> <p>Changes in Council Tax Reduction Scheme.</p> <p>Council Tax reforms.</p> <p>Economic environment.</p> <p>Increase in number of people claiming reduction.</p> <p>Council tax reduction scheme not fit for purpose.</p>	<p>Incorrect message to debtors.</p> <p>Cash flow.</p> <p>Injustice.</p> <p>Financial loss.</p> <p>Complaints.</p> <p>Adverse publicity.</p> <p>Staff morale.</p> <p>Cost to Collection Fund.</p> <p>Many small debts to chase from people with limited resources.</p> <p>Liabilities are reduced and therefore less money is due to be collected than estimated</p>	<p>Formal monthly monitoring of outstanding debt.</p> <p>Recovery timetables.</p> <p>Documented control systems.</p> <p>Use of automated procedures in systems.</p> <p>Use of new enforcement agents.</p> <p>Property debts control group.</p> <p>Code of Financial practice.</p> <p>System / credit control.</p> <p>Internal audit.</p> <p>Careful authorisation of write-offs.</p> <p>Staff knowledge.</p> <p>Staff cover.</p> <p>Encourage pre-payment.</p> <p>Encourage direct debit payment.</p> <p>Ongoing review of procedures.</p> <p>Recovery and Corporate Debt Policies reviewed.</p>			<p>Impact</p>  <p>Likelihood</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation/ Control	Required action	Responsible Officer	Residual Risk Rating
33. Reduction in Business Rates Income.	<p>Economy.</p> <p>Decline in collection rates.</p> <p>Increase in Insolvencies.</p> <p>Business Rate avoidance tactics.</p> <p>Major companies relocating/closing.</p> <p>Business growth not matching RPI.</p> <p>Pooling partners may suffer loss in business rates income.</p> <p>Revaluations and appeals against RVs.</p> <p>CIL too high.</p> <p>Uncertain business rate retention scheme.</p> <p>Implementation of Local Plan.</p> <p>Planning decisions.</p>	<p>Financial Loss.</p> <p>Unable to balance the budget.</p> <p>Incorrect medium term financial planning.</p> <p>Deter development.</p> <p>Risk of local plan being unsound or delayed.</p>	<p>Robust recovery procedures for collection of Business rates.</p> <p>Resilience in Business Rates Team through shared service with Stratford DC.</p> <p>Safety net payments through business rate retention scheme.</p> <p>Risk Sharing through Pooling with other authority/s.</p> <p>Monthly monitoring of Net Debit and co-ordination with Development Services of new properties coming on line.</p> <p>Visiting team undertake pro-active initiatives.</p> <p>Yellow box initiative.</p> <p>Liaison with Development Services.</p> <p>Quarterly meetings with partner authorities.</p> <p>Healthy Business Rate Volatility Reserve.</p> <p>Consultants appointed to identify additional properties and future projections.</p>			 <p>Impact</p> <p>Likelihood</p>

Key:

⌚ = Previous risk score (and direction)

Comment For “self-noting”.

Special Note: This risk register comprises Finance’s own service risks. The Council’s significant financial risks are contained in the Significant Business Risk Register.

Summary of Finance Risk Movements 2015-16

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
Generic to WDC					
1.	Loss of IT	Action added -Divs to review and update their BCPs (By 3 August 2015.)	Procurement still to be done – new procurement manager to start 15/12/15 Target for completion of all BCPs end Jan 2016 before calls come back from CSC	Possible consequence added –Loss of Switchboard Required action removed as completed – Test card reader Required actions added –Switchboard operators to re-locate to area in RSH backed up by generator. Amend answerphone messages on telephony system to provide alternative contact numbers. Responsible officer amended – System owners removed and Benefits Manager added	

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
2.	Loss of key records.	Action - Check with Graham Andy Jones re Corporate Document Retention Policy. (Head of Finance – April 2015 – Mike to ask again	Responsible officer should be Andy Jones/ Graham Leach	Required action changed to - Graham has agreed to complete review of Corporate Document Retention Policy and issue revised guidance by end of calendar year. Mike to monitor progress. Responsible Officer changed to job titles - Democratic Service Manager and Deputy Monitoring Officer / Head of Finance.	
3.	Loss of office accommodation	Review and test Business Continuity Plan. (Head of Finance – April 2015)	As risk 1 - target date end of Jan 2016	Required action updated to - Sam Collins to review Finance's BCP – mtg held with Sam 16.03.16. Revised BCP to be produced by end April 2016. (Head of Finance – end Jan 2016) Amend telephone answerphone messages to provide alternative contact numbers Responsible officer – Benefits Manager added	
4.	Physical harm to staff.				

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
5.	Fraud (non Benefit) / Corruption			Required action added – Corporate Fraud Officer to organise ongoing fraud awareness campaign, Benefits Manager to agree timetable. Responsible officer amended to Benefits Manager	
6.	Failure to communicate effectively			Possible Trigger added – Poorly trained customer service staff Responsible officer deleted	

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
7.	Loss / shortage of staff (leading to loss of skills, knowledge & capacity).	Triggers added – time taken to recruit Possible Consequences added – Fraud going undetected Risk mitigation added – and apprentices	Target for completion of all BCPs end Jan 2016 before calls come back from CSC Corporate fraud officer in place and aware that campaign needed – Andrea to agree date with him	Required Actions – Removed - Corporate Fraud Officer to organise on going fraud awareness campaign. Andrea to agree date with Bryan as completed And required actions amended to - Sam Collins to review Finance's BCP – mtg held with Sam 16.03.16. Revised BCP to be produced by end April 2016. Ongoing review and updating of Procedure Manuals. (FMT – Sept 2014 and then ongoing)	

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
8.	Provision of incorrect information / advice to stakeholders (benefit claimants, taxpayers, suppliers, WDC staff, members, business rate payers)	Action Added - Keep Procedures Notes and Procedure Manuals up-to-date. Residual risk – likelihood increased but impact reduced	Queried how often procedure notes/ manuals are updated and if there is anything in place to ensure this happens	Keep procedures notes and procedures manuals up to date removed from required action and added to risk mitigation/control Responsible officer deleted Score amended to reflect reduced likelihood now that we have our own customer service staff so have better control over their training etc.	
9.	Breaches of Health and Safety legislation	Risk mitigation added – Review of DES assessments by SMT Action added - Regular health & safety reviews. Ask Ian Cardin to confirm that we are up-to-date with DSE assessments. (Mike Snow – by August 2015.)	DSE assessments are done automatically as email sent from AssessNET but there is no follow up. Karen was trained but no longer does health and safety and Christine has asked Ian Carden about training. Mike to contact Ian Carden	Regular health and safety reviews moved to risk mitigation/control from required action Removed - Bring DSE assessments up-to-date. (FMT – April 2014) (Nb. Should these be brought under 'Meta Compliance'?) as these are automatically generated by AssessNET for staff to complete	
10.	Failure to deliver projects and / or programmes within the service.				

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
11	Data protection and Freedom of Information compliance breach	Added that Mike to pursue the corporate review Removed action on looking at use of hybrid mail as not our action Residual risk likelihood increased and has moved from green to yellow as event has occurred	Queried what is meant by 'adequate training' and if refresher training is given and records kept Mike to contact Tracy Dolphin		
Service Specific					
12.	Failure to correctly monitor / manage Finance budget				
13.	Inaccurate medium term financial plans / forecasts (excluding external factors identified in SBRR)	Residual risk likelihood has reduced and has moved from red to yellow but no explanation			
14.	Poor day to day treasury management of bank balances; borrowing; cash flow; investments and interest rate volatility.				

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
15.	Additional Value Added Tax liabilities	<p>Added to actions:</p> <p>Mike to get Roger to commit to a live date for automatic VAT</p> <p>Mike to provide fixed date for staff being up to date with VAT rates etc.</p> <p>Mike to agree and supply deadline date for debtors training – possibly March 2016</p> <p>Jon added to responsible officer</p>	<p>Roger is closer to a live date for the VAT at source but Roger has found problems with the system. Hoping for March 2016</p> <p>Mike to talk to Gary about ensuring staff are kept up-to-date with VAT rates and changes and proof that this is happening</p>	<p>Added into risk mitigation/control – Implementation of automatic allocation of VAT at source</p> <p>Debtors training run</p> <p>Required action amended to - Ensure relevant staff are up-to-date with VAT rates and changes. (Assistant Accountant – ongoing)</p> <p>Implement greater centralisation of sundry debtor invoices. With note that target date and responsibility required.</p> <p>Andy, Lorraine, Gary, & Jenny & Jon removed from responsible officers as their actions have been completed</p>	
16.	Insufficient Housing Benefit Subsidy and Admin Grant received from Central Government	<p>Andrea to re-describe to reflect universal credit issue – added at review meeting</p> <p>Residual risk likelihood increased</p>	<p>Should be split in 2 but doesn't need amending for universal credit.</p> <p>Admin grant is for staff costs and helps with CT as assessment officers' work on both at the same time. As HB moves the grant will fall but we will still need the staff.</p>	<p>Note added to score to explain that there is an increased likelihood due to the roll out of universal credit leading to a reduction in admin grant</p>	

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
17.	Failure of banking service		The description is too wide – amend to failure of 'a' banking service Under risk mitigation add purchasing cards		
18.	Ineffective / inappropriate insurance cover	Under risk mitigation 'Annual' added to report to SMT	Under possible triggers – Insurance invalidated by actions of WDC or contractor Add TPO claims to uninsurable risk Risk mitigation of annual report should be moved to action column	Annual report to SMT moved from required action to risk mitigation/control as implemented.	
19.	MMI Scheme of Arrangement triggered				
20.	Increase in insurance claims numbers and/or cost	Added to risk mitigation – completion of code of Financial practice training Added to required action – Continue issuing SMT updates and Core Briefs (Insurance and Risk officer – ongoing) Deal with at RMG meetings (Audit and Risk Manager)	Risk mitigation add in 'ensure that ad-hoc updates are provided' New action – Mike to contact Karen Weatherburn to see if the meta-compliance training on the code of procurement practice is rolled out automatically to new staff	Continue issuing SMT updates and Core Briefs. (Insurance & Risk Officer – Ongoing.) moved from required action to risk mitigation/control	

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
21.	Failure of insurance company	Added to risk mitigation – PH feels limited benefit from this checking credit rating Added to required action – Review Zurich Municipal Share price regularly (Mike – ongoing) Residual risk rating moved from yellow to green as likelihood reduced	Required action Mike to organise for someone to check the insurer share price – could be done by setting and alert on Yahoo finance or something similar if price falls by more than a certain amount e.g. 5%	Added to required action – Investigate share price alerts vis-à-vis phone apps. (Audit & Risk Manager for Mike.) Added explanation to Residual risk rating – Likelihood initially overstated due to MMI experience. Extremely unlikely to re-occur	
22.	Council tax, NNDR and customer bills can't be issued or are delayed	Residual risk likelihood increased		Added explanation to residual risk rating - Change of stance from Government over Ctax increases. Referendums now extremely unlikely	
23.	Failure to pay Housing Benefits, delay in making payment, incorrect amount paid, failure to calculate and advise as to entitlement.				
24.	Qualified opinions; Late accounts; Late Government Returns				
25.	Shared service failure e.g. NNDR shared service				

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
26.	Creditor payment error e.g. overpaying, paying twice	Residual risk amended with likelihood and impact reduced – moved from yellow to green			
27	Procurement of services by Finance non-compliant with legislation.	Added to required action - Prepare for F&A review of Finance Contracts Register – Set up meeting for four month time (Mike – Immediate) Dave and Sue to set up meeting to discuss Spratts	F&A review has happened so remove action Dave and Sue met and contract not needed as no new business so remove action		
28	Council Tax set is illegal, late or incorrect	Residual risk amended with impact reduced but likelihood increased		Explanation amended on residual risk - Referendums unlikely. In-house management of annual billing means we are better equipped to cope with delays in setting Ctax.	
29	Failure to produce cheques	Residual risk rating impact reduced		Explanation added on residual risk – less likely due to increase in payments now made by BACS	
30.	Inadequate Internal Audit Plan				
31.	Internal Audit Plan substantially uncompleted				

		Pre December 2015 Meeting	December 2015 Portfolio Holder Review	March 2016 Review	June 2016 Review
32.	Reduced Collection of Council Tax income	<p>Risk Description – need to re-describe in terms of council tax reduction scheme Dave/Andrea to do</p> <p>Added to risk mitigation – Claimant no contacted prior to billing to advise of increase in CT payment</p> <p>Required action – Deleted 'consider existing policies across the Council. Added 'too vague'</p> <p>Residual risk rating moved from green to yellow likelihood and impact increased</p>	<p>Felt this is just one risk round collection of CT and doesn't need CR reduction scheme included. The change in the CT reduction scheme is a budgeting risk round having to pay out more but the sums involved would be small.</p> <p>Last item under risk mitigation about contact claimants prior to increases to be removed</p>		
33.	Reduction in Business Rates Income				

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.

 Finance and Audit Scrutiny Committee 5 April 2016		Agenda Item No. 7
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	23/3/2016	
Head of Service	23/3/2016	Mike Snow
CMT	23/3/2016	
Section 151 Officer	23/3/2016	Mike Snow
Monitoring Officer	23/3/2016	Andrew Jones
Finance	23/3/2016	Mike Snow
Portfolio Holder(s)	23/3/2016	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 2016

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 2015/16 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, excluding grant claims with an indicative fee of £9,540 and the Pooled Capital Receipts return at £3,000. The main fee represents an £18,000 reduction from 2014/15. Details of the fees are set out in the Planned Audit Fee letter from Grant Thornton.

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, ideally the end of 2017. There are various Regulations on how these appointments are made. The Local Government Association is endeavouring to take the lead in setting up a framework from where local authorities can make their appointment. In addition the Warwickshire Chief Finance Officers are considering how this appointment should be made, and whether a collaborative appointment will provide best value. This is due to be progressed during 2016/17 as part of the Finance Service Area Plan. The Committee will be updated as plans progress.

Informing the audit risk assessment for Warwick District Council

Year ended

31 March 2016

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Director

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Helen Lillington

Audit Manager

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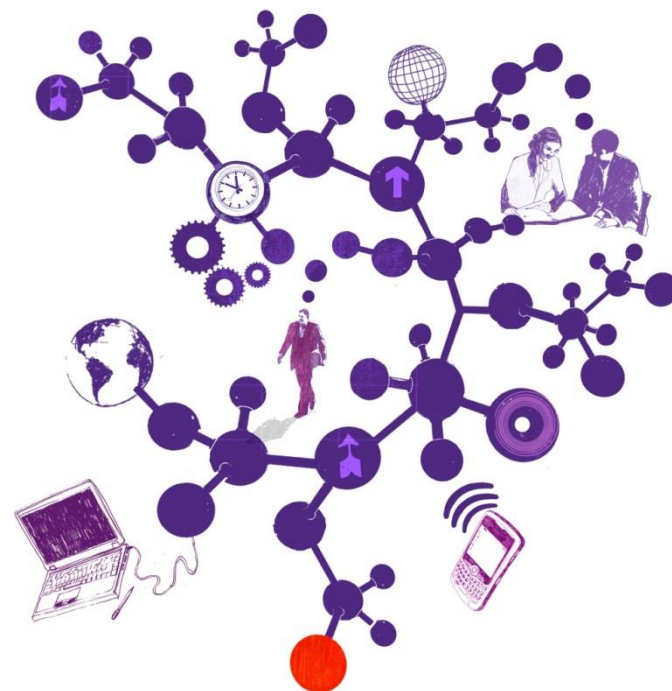
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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to 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 January 2015, 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	
How does the Authority communicate and encourage ethical behaviour of its staff and contractors?	The updated code of conduct for members and employees outlines the Council's expectations for business practice and ethical behaviour.
How do you encourage staff to report their concerns about fraud? Have any significant issues been reported ?	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.
Are you aware of any related party relationships or transactions that could give rise to risks of fraud ?	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.
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 2015 ?	No.
Are you aware of any whistleblower reports or reports under the Bribery Act since 1 April 2015 ? If so, how has the Finance and Audit and Scrutiny Committee responded to these ?	No.

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 ?	The Council has arrangements in place for legal advice to be provided by Warwickshire County Council. Employees are expected to keep themselves updated of laws and regulations related to their area of work. Suspected non-compliances with laws and regulations will be investigated.
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 2015, or earlier with an on-going impact on the Authority's 2015/16 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, based on current assumptions show the Council needs to save over £1m 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

Councillors 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

Matters in relation to accounting estimates

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.

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.

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:

- the estimate is reasonable; and
- estimates have been calculated consistently with other accounting estimates within the financial statements.

We would ask the Finance and Audit Scrutiny Committee to satisfy itself that the arrangements for accounting estimates are adequate.

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. WCC Pension Funds department 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. Heritage asset valuations will be made by external valuer.	Valuer notified of changes to the estate from the prior year	Use the external valuer (RICS qualified) from Carter Jonas for PPE. Use the external valuer for heritage assets.	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. Use the external valuer for Heritage Assets.	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?
SERCOP 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

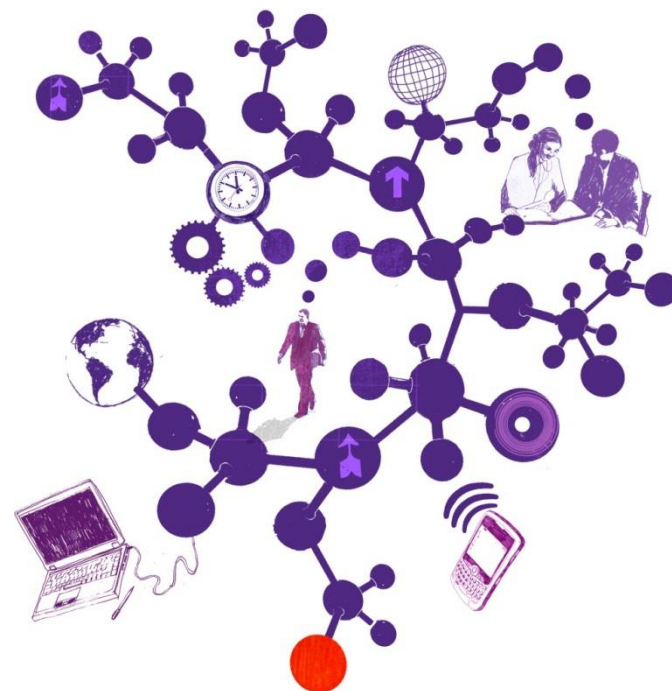
Year ending 31 March 2016

5 April 2016

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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 the Council 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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Dear Members of the Finance and Audit Scrutiny Committee

Audit Plan for Warwick District Council for the year ending 31 March 2016

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), 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 the 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.

Yours sincerely

John Gregory
Engagement Lead

Chartered Accountants

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Understanding your business

In planning our audit we need to understand the challenges and opportunities the Council is facing. We set out a summary of our understanding below.

Challenges/opportunities

1. Autumn Statement 2015 and financial health

- The Chancellor proposed that local government would have greater control over its finances, although this was accompanied by a 24% reduction in central government funding to local government over 5 years.
- Despite the increased ownership, the financial health of the sector is likely to become increasingly challenging.
- Warwick District Council is showing a balanced budget for the 2015/16 financial year. Nonetheless there is a challenging savings position required in future years as part of the MTFP. In 2016/17 the level of projected savings required is £977k.



2. Devolution

- The Autumn Statement 2015 also included proposals to devolve further powers to localities.
- The Council has declined an invitation to become a Non Constituent Member of the proposed West Midlands Combined Authority as it stands in its current terms.
- A combined authority based on the economic geography of the Coventry and Warwickshire sub regions is Warwick District Council's preferred option.



3. Housing

- The Autumn Statement also included a number of announcements intended to increase the availability and affordability of housing.
- In particular, the reduction in council housing rents and changes to right to buy will have a significant impact on Councils' housing revenue account business plans.



4. Earlier closedown of accounts

- The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 May and 31 July respectively by the 2017/18 financial year.



Our response

- We will consider the Council's plans for addressing its financial position as part of our work to reach our VFM conclusion.

- We will consider your plans on local devolution agenda as part of our work in reaching our VFM conclusion.

- We will consider how the Council has reflected government announcements as part of its business planning process.
- We will share our knowledge of how other Councils are responding to these changes.

- We will work with you to identify areas of your accounts production where you can learn from good practice in other authorities.
- We aim to complete all substantive work in our audit of your financial statements by 31 August 2016 as a 'dry run'.

Developments and other requirements relevant to your audit

In planning our audit we also consider the impact of key developments in the sector and take account of national audit requirements as set out in the Code of Audit Practice and associated guidance.

Developments and other requirements

1. Fair value accounting

- A new accounting standard on fair value (IFRS 13) has been adopted and applies for the first time in 2015/16.
- This will have a particular impact on the valuation of surplus assets within property, plant and equipment which are now required to be valued at fair value in line with IFRS 13 rather than the existing use value of the asset.
- Investment property assets are required to be carried at fair value as in previous years.
- There are a number of additional disclosure requirements of IFRS 13.



2. Corporate governance

- The Accounts and Audit Regulations 2015 require local authorities to produce a Narrative Statement, which reports on your financial performance and use of resources in the year, and replaces the explanatory foreword.
- You are required to produce an Annual Governance Statement (AGS) as part of your financial statements.



3. Highways Network Asset

- Accounting requirements for the Highways Network Asset in 2016/17 will be a significant change to local authority financial statements.
- 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 that only Highways authorities will be covered and that there will be limited impact on the accounts for district councils.



4. Leisure Centre Management

- The Council is currently looking for an external partner to manage the council's leisure centres.
- The decision has been taken to help protect the services going forward and enable investment in the leisure centres.



Our response

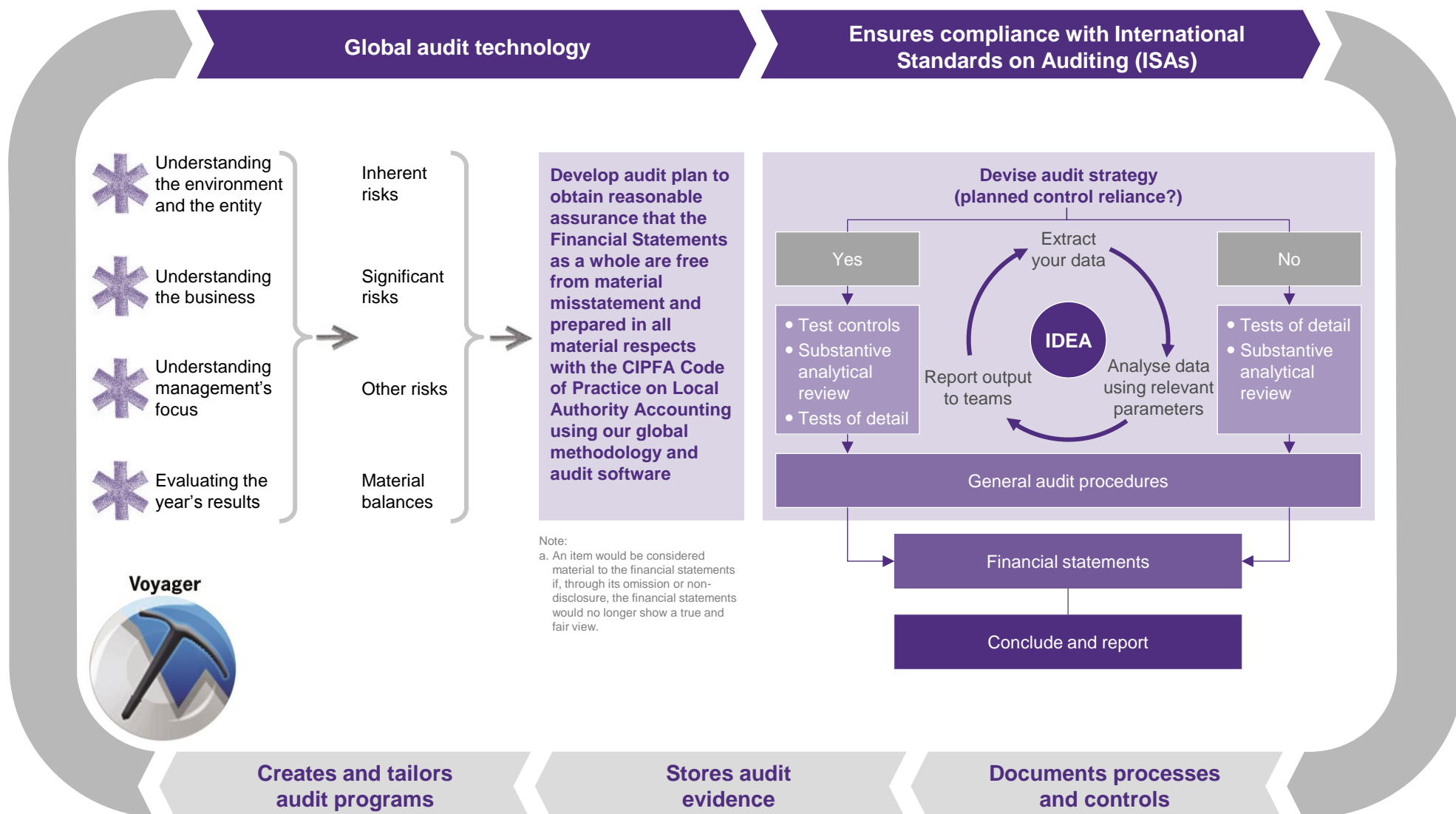
- We will keep the Council informed of changes to the financial reporting requirements for 2015/16 through ongoing discussions and invitations to our technical update workshops.
- We will discuss this with you at an early stage, including reviewing the basis of valuation of your surplus assets and investment property assets to ensure they are valued on the correct basis.
- We will review your draft financial statements to ensure you have complied with the disclosure requirements of IFRS 13.

- We will review your Narrative Statement to ensure it reflects the requirements of the CIPFA Code of Practice when this is updated, and make recommendations for improvement.
- We will review your arrangements for producing the AGS and consider whether it is consistent with our knowledge of the Council and the requirements of CIPFA guidance.

- We will continue to discuss the developments in this area with officers and agree the required actions once the 2016/17 Code has been published.
- It is likely that for non Highways Authorities scoping themselves out of Highways Network Assets will be a critical judgement that will need to be disclosed in the accounts. We will agree this disclosure with officers as early as possible to help facilitate faster close.

- As part of the VFM conclusion we will review the arrangements in place for the decisions taken on the future management of leisure centres.

Our audit approach



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 standard states that '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'.

As is usual in public sector entities, we have determined materiality for the statements as a whole as a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £1,638k (being 2% of gross revenue expenditure). We will consider whether this level is appropriate during the course of the audit and will advise you if we revise this.

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 £81,900.

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 notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£10k
Disclosure of auditors' remuneration in notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£10k

Significant risks identified

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to 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 315). In this section we outline the significant risks of material misstatement which we have identified. There are two presumed significant risks which are applicable to all audits under auditing standards (International Standards on Auditing - ISAs) which are listed below. In addition we have identified a further significant risk relevant to your audit and this is included overleaf.

Significant risk	Description	Substantive audit procedures
The revenue cycle includes fraudulent transactions	<p>Under ISA 240 there is a presumed risk that revenue 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, and• the culture and ethical frameworks of local authorities, mean that all forms of fraud are seen as unacceptable.
Management over-ride of controls	<p>Under ISA 240 it is presumed 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">• Initial review of accounting estimates, judgments and decisions made by management. <p>Further work planned:</p> <ul style="list-style-type: none">• Further review of accounting estimates, judgments and decisions made by management.• Testing of journal entries.• Review of unusual significant transactions.

Significant risks identified (continued)

Significant risk	Description	Substantive audit procedures
Valuation of pension fund net liability	The Council's pension fund asset and liability as reflected in its balance sheet represent significant estimates in the financial statements.	<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.

Other risks identified

"The auditor should evaluate the design and determine the implementation of the entity's controls, including relevant control activities, over those risks for which, in the auditor's judgment, it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures"(ISA (UK & Ireland) 315).

In this section we outline the other risks of material misstatement which we have identified as a result of our planning.

Other risks	Description	Audit approach
Operating expenses	Creditors understated or not recorded in the correct period (Operating expenses understated)	Work completed to date: <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. Further work planned: <ul style="list-style-type: none">• We plan to test a sample of payments made after the year end to ensure that liabilities have been recorded in the correct period.• A sample of goods received but not yet invoiced will be tested to identify any items which have not been accrued for correctly.
Employee remuneration	Employee remuneration accruals understated (Remuneration expenses not correct)	Work completed to date: <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. Further work planned: <ul style="list-style-type: none">• We will perform a reconciliation to ensure that information from the payroll system can be agreed to the 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.

Other risks identified (Continued)

"The auditor should evaluate the design and determine the implementation of the entity's controls, including relevant control activities, over those risks for which, in the auditor's judgment, it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures"(ISA (UK & Ireland) 315).

In this section we outline the other risks of material misstatement which we have identified as a result of our planning.

Other risks	Description	Audit approach
Welfare expenditure	Welfare benefit expenditure improperly computed	<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 Benefit payments testing up to Month 9.• We have completed work on module 2 of HBCOUNT which tests whether the correct parameters have been entered into the housing benefit system. <p>Further work planned:</p> <ul style="list-style-type: none">• Complete the sample testing of benefit payments to cover the whole of the financial year.• We will review key reconciliations between the revenue and benefits systems and the ledger.

Other risks identified (continued)

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 section but will include:

- Heritage assets
- Assets held for sale
- Investments (long term and short term)
- Cash and cash equivalents
- Borrowing and other liabilities (long term and short term)
- Provisions
- Usable 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
- Segmental reporting note
- 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

Other audit responsibilities

- We will undertake work to satisfy ourselves that disclosures made in the Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read the Narrative Statement and check that it is consistent with the statements on which we give an opinion and disclosures are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We will give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts

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 NAO issued its guidance for auditors on value for money work in November 2015. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

The NAO 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 good governance• Understanding and using appropriate cost and performance information 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 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 completed an initial risk assessment based on the NAO's guidance. 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.
- illustrative significant risks identified and communicated by the NAO.

We have identified the following (overleaf) significant risks which we are required to communicate to you. Our definition of significant risks, based on the definition in the NAO's Code of Audit Practice, is:

The Code defines 'significant' as follows: *A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or wider public. Significance has both qualitative and quantitative aspects.* Note that classifying something as a risk at this stage does not mean that we are of the view that there is a particular business risk in that area- it may be that it is an area which falls within the criteria where we do not have sufficient information at present to reach a conclusion on the Council's arrangements, but that we will in due course be satisfied with the arrangements in place.

We have set out below the risks we have identified, how they relate to the Code sub-criteria, and the work we propose to undertake to address these risks.

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 the risk identified
The Council is currently looking for an external partner to manage the councils leisure centres. A full procurement process will now take place to find the most suitable operating partner and will be subject to a detailed service specification that will outline what is required of the operator.	This links to the Council's arrangements for Commissioning services effectively to support the delivery of strategic priorities.	We will review the Council's current progress against its vision.
The Fit for the Future plan sets out that the Council has a commitment to work with partners to build sustainable, safer, stronger and healthier communities.	This links to the Council's arrangements for working effectively with third parties to deliver strategic priorities.	We will review the Council's current progress against its vision and understand the picture of partnership working across the authority.
The Council identified savings of £1.735m as part of the September 2015 Fit for the Future report, for the period up until 2019/20. This included £648k which would enable contributions to be made to reserves. As a result of the budget settlement, further recurrent savings of £591k also need to be identified to maintain a balanced budget over the period.	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.	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.

Reporting

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

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>
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.</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>

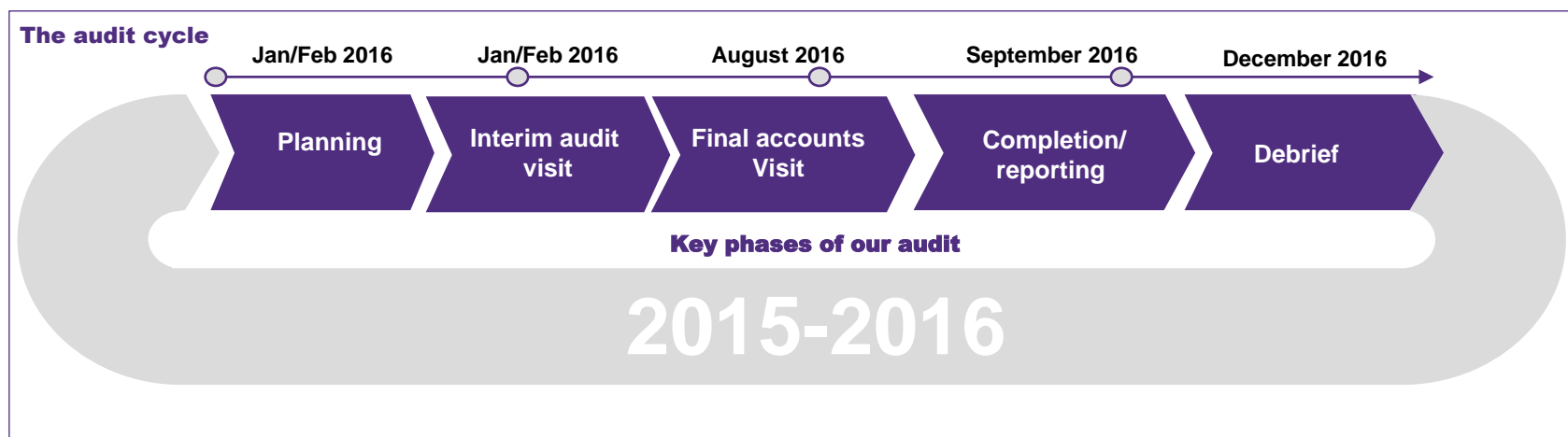
Results of interim audit work (continued)

	Work performed	Conclusion
Journal entry controls	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.	Our work has not identified any weaknesses that impact on our audit approach. Detailed testing on journals deemed large or unusual will be carried out as part of the final accounts visit.
Faster Close	<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 in future years.</p> <p>We held a detailed planning meeting with officers and discussed a range of measures that could be taken to enable the accounts to be closed earlier. This included a greater use of estimates, and more collaboration with staff outside of the finance team. A greater focus will be put on these areas during this years closedown however the timetable for the accounts production will remain unchanged from prior years.</p> <p>Officers have reviewed the accounts and made suggestions where notes could be reduced or removed.</p>	<p>We will continue to work with officers to help them meet the early close agenda.</p> <p>We will review the proposed changes to the disclosures in the financial statements by the end of March and discuss any findings with officers as part of our on-going dialogue.</p>
Working papers to support the financial statements	<p>Last year we identified that some working papers were difficult to follow and we recommended that working papers could be improved with greater use being made of spreadsheets to demonstrate the audit trail between ledger balances and the financial statements.</p> <p>We have met with officers and discussed ways that working papers could be improved, focusing in particular on areas where we experienced difficulties last year. 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>

Results of interim audit work (continued)

	Work performed	Conclusion
Early substantive testing	<p>In line with the earlier close agenda we have worked with the finance team to identify key areas of the accounts where testing could be undertaken 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 Benefit 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>

Key dates



Date	Activity
Jan/Feb 2016	Planning
Jan/Feb 2016	Interim site visit
April 2016	Presentation of audit plan to Finance and Audit Scrutiny committee
August 2016	Year end fieldwork
September 2016	Audit findings clearance meeting with Head of Finance
September 2016	Report audit findings to those charged with governance- Finance and Audit Scrutiny committee
September 2016	Sign financial statements opinion

Fees and independence

Fees

	£
Council audit	53,623
Grant certification	9,540
Total audit fees (excluding VAT)	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

Service	Fees £
Audit related services: <ul style="list-style-type: none">• Pooled capital receipts grant certification (CFB 06)	3,000
Non-audit services	Nil

Fees for other services

Fees for other services 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

Independence and ethics

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 therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

Full details of all fees charged for audit and non-audit services will be included in our Audit Findings Report at the conclusion of the audit.

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

Communication of audit matters with those charged with governance

International Standards on Auditing (UK & Ireland) (ISA) 260, as well as other ISAs, 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 Report 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

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.psaa.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.

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 & Audit Scrutiny Committee		Agenda Item No. 9
Title	End of Term Report 2015/16	
For further information about this report please contact	Amy Carnall 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 2015/16 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		
Head of Service		
CMT		
Section 151 Officer	23/03/2016	Mike Snow
Monitoring Officer		
Finance		
Portfolio Holder(s)		
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 2015/16 municipal year.

2. Recommendation

- 2.1 It is recommended to Council that the list of matters considered by this Committee during the municipal year 2015/16, 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 5 April 2016 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 -

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 19 Audit items, 10 Scrutiny items and 51 Executive items. On those Executive items, Members made four formal recommendations.
- 8.3 In addition, the Committee have scrutinised four contract registers, three risk registers and have invited over 56 officers to their meetings over the past year.

**Items considered by
Finance & Audit Scrutiny Committee
2015/16**

AUDIT & SCRUTINY ITEMS

- Internal Audit Report 2014/15
- Review of Effectiveness of Internal Audit 2014/15
- Annual Governance Statement 2014/15
- Internal Audit Quarter 4 2014/15 Progress Report
- Treasury Management Activity Report for the period 1 October 2014 to 31 March 2015
- Anti-Fraud & Corruption Progress Report 2014/15
- External Audit Fees 2015/16
- Development Services Contract Register
- 2014/15 Annual Treasury Management Report
- Statement of Accounts and Annual Governance Statement 2014/15
- Grant Thornton Audit Committee Update
- Review of Cultural Services Risk Register
- Business Plan Performance management
- Progress Report on Enterprise Projects
- Internal Audit Quarter 1 2015/16 Progress Report
- Benefit Fraud Investigation – Performance
- Annual Governance Statement Action Plan 2015/16 – Review of Progress
- Review of Neighbourhood Services Contracts Register
- The Monitoring of Section 106 Contributions
- Audit Findings Report from External Auditor
- National Fraud Initiative
- Review of Development Services Risk Register
- Procurement Progress Update
- Warwick District Local Plan – Infrastructure Delivery Plan (IDP) Progress Report
- Risk Management Annual Report
- Finance Contracts Register
- Golf Contract Update
- Review of Building Cleaning Services
- Treasury Management Activity Report for the period 1 April 2015 to 30 September 2015
- Internal Audit Quarter 2 2015/16 Progress Report
- Annual Governance Statement Action Plan 2015/16: Review of Progress
- 2014/15 Annual Audit Letter and Grant Claims
- Health and Community Protection Risk Register
- Risk Management Feedback to Zurich
- Chief Executives Contracts Register
- Internal Audit Quarter 3 2015/16 Progress Report
- Annual Governance Statement Action Plan 2015/16: Review of Progress
- Procurement Progress Update
- Business Plan Performance Management Report
- The Monitoring of Section 106 Contributions

(Items considered by the Committee on 5 April 2016 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

April 2015

IT Provision for Councillors from May 2015
Use of Delegated Powers – Social Housing Mobility Fund
Significant Business Risk Register
Payroll Review ®
Funding of Green Space Development Officer Post

June 2015

Final Accounts 2014/15

The Introduction of a Pre-Application Charging Regime for Development Proposals ®
Funding for Bishop's Tachbrook Community Centre
Request for Funding for Improvements to King George's Playing Field at Barford
Disposal of WDC Owned Land at Station Approach in Leamington Spa
Discretionary Relief Application (Council Tax)

July 2015

Budget Review to 30 June 2015
Gypsies and Travellers – update on the progress of the Development Plan Document to allocate sites ®
Exemption from the Code of Procurement Practice – Provision of Support and Re-settlement Service
Exemption from the Code of Procurement Practice – Cost Management Services
Significant Business Risk Register
Rural/Urban Capital Improvement Scheme Application

September 2015

St Mary's Lands
Housing Stock Condition Survey & Strategic Asset Management
Sustainable Community Strategy & Fit for the Future Updates and Service Area Plans 2015/16
Resolution of Rent Issues – Cadet's HQ Building
ICT Services – Establishment Changes
Urgent Item – Regulatory (Licensing) Team Restructure

Fees and Charges
Review of WDC/WCC Customer Service Centre & Digital Transformation Initiatives
Significant Business Risk Register
Council HQ Relocation Project – Part B

November 2015

Budget Review to 30 September 2015

December 2015

General Fund Budgets 2016/17
Code of Corporate Governance
Digital Transformation of Council Services
Racing Club Warwick, St Mary's Lands, Warwick

Land off Albion Street, Kenilworth
HR Resources Review

January 2016

Housing Revenue Account (HRA) Budgets latest 2015/16 and Base 2016/17
Fees and Charges – Lifeline Services (non HRA Customers)
Car Park Fees and Charges 2016/17
Significant Business Risk Register
Electric Vehicles and Charging Infrastructure
Housing Related Support Services
Urgent Report – Exemption to the Code of Procurement Practice

February 2016

Waste Container Charging
Budget 2016/17 and Council Tax – General Fund Revenue and Capital ®
Housing Revenue Account (HRA) Budget 2016/17 and Housing Rents
Heating, Lighting and Water Charges 2016/17 – Council Tenants
Treasury Management Strategy Plan for 2016/17
Multi-Storey Car Parks Condition Survey

March 2016

HRA Business Plan Review for 2016/17 to 2061/62
Funding for Coventry & Warwickshire Growth Hub
Corporate Property Planned Preventative Maintenance Programme 2016/17
Extension of Cultural Services Programme Manager Contract

(Items considered by the Committee on 5 April 2016 will be added prior to the report's presentation to Council)

	Finance & Audit Scrutiny Committee 5 April 2016	Agenda Item No. 10
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Title	Comments from the Executive
For further information about this report please contact	Amy Carnall 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	

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 9 March 2016.

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 9 February 2016, 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 9 March 2016 to the Finance and Audit Scrutiny Committee's comments

Item no	5	Title	HRA Business Plan Review for 2016/17 to 2061/62
Scrutiny Comment	The Finance and Audit Scrutiny Committee supported the recommendations.		
Executive Response	The Executive made no response.		

Item no	7	Title	Funding for Coventry & Warwickshire Growth Hub
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendation once they'd been given assurance that the Chief Executive was content with the delegation being proposed.		
Executive Response	The Executive made no response.		

Item no	9	Title	Corporate Property Planned Preventative Maintenance Programme 2016/17
Scrutiny Comment	The Finance and Audit Scrutiny Committee supported the recommendations.		
Executive Response	The Executive made no response.		

Item no	15	Title	Extension of Cultural Services Programme Manager Contract
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report.		
Executive Response	The Executive made no response.		

 Finance & Audit Scrutiny Committee – 5 April 2016		Agenda Item No. <h1>11</h1>
Title	Review of the Work Programme & Forward Plan	
For further information about this report please contact	Amy Carnall 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 2016 (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.
- 2.3 Councillor Butler to update Members on the issues raised in relation to the Elections Audit, following his meeting with the Democratic Services Manager and Deputy Monitoring Officer and the Audit & Risk Manager.

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.
- 8.7 At the last meeting of the Finance & Audit Scrutiny Committee, Councillor Butler requested that the Elections Audit be added to the work programme for 5 April 2016.

The Elections Audit was undertaken in November 2016 and reported back to the Finance & Audit Scrutiny Committee within the Internal Audit Quarter 3 report from March 2016. The audit was given substantial rating. The full report is due to be considered at the Licensing & Regulatory Committee meeting on 11 April 2016.

Due to the conflicting timescales of the meetings, it was agreed that Councillor Butler would meet with the Democratic Services Manager and Deputy Monitoring Officer and the Audit and Risk Manager to clarify the concerns Councillor Butler had. The full audit report to be submitted to the Licensing and Regulatory Committee in April will be available via the website from Friday 1 April 2016.

Finance and Audit Scrutiny Committee

WORK PROGRAMME 2016

5 APRIL 2016

AUDIT ITEMS

1	Internal Audit Strategy & Plan 2016/17 – 2018/19	Report	Richard Barr	Annual report
2	Significant Business Risk Register	Report	Richard Barr	
3	Finance Risk Register	Report	Mike Snow	
4	2015/16 Audit Opinion Plan	Report	Mike Snow / EA	Annual report

SCRUTINY ITEMS

1	End of Term Report	Report	Amy Carnall / Chair	Annual report
2	Scrutiny of Infrastructure Delivery Plan	Report	Tracy Darke	Update report from 29/09/15 – agreed by F&A, minute number 67.

Date	Contracts Registers Reviews 2016/17	Risk Registers Reviews 2016/17
1 June 2016	Health & Community Protection	
28 June 2016		
26 July 2016		Neighbourhood Services
31 August 2016	Housing & Property Services	
27 September 2016		Chief Executives
1 November 2016		
29 November 2016	Cultural Services	

Appendix 1

04 January 2017		Housing & Property Services
07 February 2017		
07 March 2017	Development Services	
04 April 2017		Cultural Services
May 2017		
June 2017	Neighbourhood Services	
July 2017		Development Services
August 2017		
September 2017	Finance	
October 2017		Health & Community Protection



FORWARD PLAN

Forward Plan April 2016 to July 2016

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 or its Committees 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.

(784)

Section 1 – The Forward Plan April 2016 to July 2016

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
6 April 2016						
Whitnash Community Hub (Ref 741)	To receive information following the feasibility study of a Whitnash Community Hub		Executive 13/1/16 R5 10/2/2016 R4 Executive 6/4/2016	29.3.2016	Andrew Jones Cllr Mrs Grainger	
Rural Urban Community Initiative Scheme applications (ref 760)	Consider applications for Rural and Urban Initiative Grants		Executive 6/4/2016	29.3.2016	Jon Dawson Cllr Whiting	
Customer Contact Review (Ref 752)	To consider a report regarding the future of this role. This report will be private and confidential because it contains information about an individual.		Executive 13/1/16 R4 9/3/2016 6/4/2016	29.3.2016	Tracy Dolphin Cllr Mobbs	
HQ Relocation (Ref 742)	Part A and B reports regarding the future location of the Council's HQ.		Executive 13/1/16 Reason 3 9/3/2016 Reason 3 & 5 6/4/2016	29.3.2016	Duncan Elliott Cllr Mobbs	Executive papers – 30/09/2015
St Mary's Lands Masterplan (Ref 783)	To seek approval to go out to public consultation on the proposals developed by the St Mary's Lands Working Party	Executive in November 2015	Executive 06/04/16	29.03.16	Chris Elliott, Cllr Cross	St Mary's Lands Working Party which is made up of representatives from various organisations.

May 2016 – No Meeting of the Executive

2 June 2016

Guy Road Housing Development (Ref 750)	A project to develop new homes in Kenilworth		Executive 9/3/2016 2/6/2016 Reason 2	24/5/2016	Matt Jones Cllr Phillips	
New Rent Arrears Policy (Ref 748)	To seek approval of new rent arrears policy for WDC Council Tenants		Executive 6/4/2016 Executive 02/06/16 Reason 1	24/5/2016	Jacky Oughton Cllr Phillips	
Council Development Company (Ref 727)	To consider a report on establishing a Council Development Company		Executive 9/3/2016 2/6/2016 Reason 2	24/5/2016	Andy Thompson Cllr Phillips	
Improved Fire Alarm Systems – Sheltered Housing	To request approval to further upgrade fire alarm systems in sheltered housing		Executive 2/6/2016	24/5/2016	Jacky Oughton Cllr Phillips	
Asset Management Strategy (Ref 641)	To propose an Asset Management Strategy for all the Council's buildings and land holdings. (Moved Reason 6 Seeking further clarification on implications of report)		5 November 2014 Executive (03/09/15) 2/6/2016	24/5/2016	Bill Hunt Cllrs Coker & Mobbs	

29 June 2016						
Final Accounts (Ref 762)	To report on the Council's outturn position for both revenue and capital		Executive 29/9/2016	21/6/2016	Jenny Clayton Cllr Whiting	
Rural Urban Community Initiative Scheme applications (Ref 761)	Consider applications for Rural and Urban Initiative Grants		Executive 29/6/2016	21/6/2016	Jon Dawson Cllr Whiting	
27 July 2016						
Rural Urban Community Initiative Scheme applications (Ref 763)	Consider applications for Rural and Urban Initiative Grants		Executive 27/7/2016	19/7/2016	Jon Dawson Cllr Whiting	
Budget Review Quarter 1 to include financial projections (Ref 764)	To Report on the latest financial prospects for the current and future 5 years		Executive 27/7/2016	19/7/2016	Andy Crump Cllr Whiting	
Investment in Leisure Centres (745)	To consider final plans, costs and associated studies and planning applications relating to the proposed investment at St Nicholas Park and Newbold Comyn Leisure Centres	Nov 4 th 2015	Executive 27/7/2016	19/7/2016	Rose Winship Cllr Mrs Gallagher	The report is the culmination of project to expand these 2 leisure centres. Consultation with users through the Planning process and dialogue with clubs and national governing bodies of sport. Various reports from June 2014 onwards.

Section 2 Key decisions which are anticipated to be considered by the Council between September 2016 and February 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
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1 & 28 September 2016

Annual Benefit Fraud Report (Ref 765)			Executive 1/9/2016	31/8/2016	Andrea Wyatt Cllr Whiting	
Rural Urban Community Initiative Scheme applications (Ref 766)	Consider applications for Rural and Urban Initiative Grants		Executive 28/9/2016	20/9/2016	Jon Dawson Cllr Whiting	
Fees and Charges (Ref 770)	To propose the level of fees and Charges to be levied from 2nd January 2016		Executive 28/9/2016	20/9/2016	Andy Crump Cllr Whiting	

2 & 30 November 2016

Rural Urban Community Initiative Scheme applications (Ref 778)	Consider applications for Rural and Urban Initiative Grants		Executive 30/11/2016	22/11/2016	Jon Dawson Cllr Whiting	
Rural Urban Community Initiative Scheme applications (Ref 779)	Consider applications for Rural and Urban Initiative Grants		Executive 2/11/2016	25/10/2016	Jon Dawson Cllr Whiting	
HRA Budgets 2016/17 REF 780	To Consider the following year revenue budgets for the HRA.		Executive 30/11/2016	22/11/2016	Mike Snow Peter	

					Phillips	
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5 January 2017 – No scheduled reports at this time.

8 February 2017

Appointment of leisure management operator (It is anticipated that part of this report will be confidential) (Ref 771)			Executive 30/11/2016 Reason 4 8/2/2017	31/1/2017	Rose Winship Cllr Gallagher	Executive Nov 2015 Council and Executive 13/1/2016 Full OJEU procurement
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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
Council Housing Asset Management Policy (Ref 774)	To request approval of the 'Council Housing Asset Management Policy – Disposal of Property'		Executive 6/4/2016 Reasons: 2, 4, 5	Awaiting outcome of Housing & Planning Bill which may influence the design and implementation of property disposals	Andy Thompson Cllr Phillips	
Private sector housing grants policy (Ref 658)	To propose a revised policy for the allocation of grant funding for private residents		Abigail Hay Cllr Phillips	This will come forward in due course once the Future of Housing Adaptations Service has been determined		TBC
Housing Revenue Account Business Plan (Ref 775)	To propose revisions to the Housing Revenue Account Business Plan		Andy Thompson Cllr Phillips	This will come forward when the Housing & Planning Bill, and associated regulations, have been approved by Parliament		
Aids and Adaptations Services (Ref 776)	To propose a new approach to providing aids and adaptations services for the residents of Warwick District		Abigail Hay Cllr Phillips	This will come forward when the option for a Warwickshire-wide service is sufficiently well developed to warrant consideration.		
Housing Related Support Services (Ref 777)	To propose new Housing Related Support services for tenants of the Council		Jacky Oughton Cllr Phillips			

HS2 Planning Applications (Ref 782)	Consideration of the process for handling planning applications related to HS2.		Gary Fisher Cllr Cross	This will come forward in due course once guidance has been issued		
Strategic Opportunity Proposal (Ref 712)	<p>To update Members on the current position.</p> <p>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)</p>		Chris Elliott Cllrs Mobbs, Coker, Phillips, Whiting, Cross & Gallagher	<p>The Local Plan proposals have been subject to a number of public consultations and planning applications involved have also been subject to public consultation. The proposal has been the subject of discussion privately and confidentially with a number of agencies but especially with the County Council.</p> <p>Submission version of Local Plan; Planning Application (W/14/1076); Planning Application (W/14/0967); Report</p>		

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
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council		Executive 6/4/2016		Richard Barr Cllr Whiting	
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council		Executive 29/6/2016		Richard Barr Cllr Whiting	
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council		Executive 28/9/2016		Richard Barr Cllr Whiting	

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**