

NON-CONFIDENTIAL



Borough of Tamworth

Marmion House,
Lichfield Street, Tamworth,
Staffordshire B79 7BZ.

Enquiries: 01827 709 709
Facsimile: 01827 709 271

AUDIT AND GOVERNANCE COMMITTEE

19 January 2012

Dear Councillor

A Meeting of the Audit and Governance Committee will be held in **Committee Room 1 - Marmion House on Thursday, 26th January, 2012 at 6.00 pm**. Members of the Committee are requested to attend.

Yours faithfully

A handwritten signature in black ink, appearing to be 'A. G. ...', written over a circular stamp or mark.

A G E N D A

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- 1 Apologies for Absence**
- 2 Minutes of the Previous Meeting (Pages 1 - 2)**
- 3 Declarations of Interest**

To receive any declarations of Members' interests (personal and/or personal and prejudicial) in any matters which are to be considered at this meeting.

When Members are declaring a personal interest or personal and prejudicial interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a personal and prejudicial interest in respect of which they do not have a dispensation.

- 4 Regulation of Investigatory Powers Act 2000** (Pages 3 - 4)
(Report of the Solicitor to the Council and Monitoring Officer)
- 5 Annual Audit Letter Audit 2010/11** (Pages 5 - 16)
(Report of the Audit Commission)
- 6 Certification of Claims and Returns - Annual Report Audit 2010/11** (Pages 17 - 28)
(Report of the Audit Commission)
- 7 Virements Update 2011/12** (Pages 29 - 30)
(Report of the Deputy Director Corporate Finance, Exchequer and Revenues)
- 8 Internal Audit Quarterly Report 2011/12** (Pages 31 - 40)
(Report of the Head of Internal Audit)
- 9 Risk Management Report 2011/12** (Pages 41 - 64)
(Report of the Head of Internal Audit Services)

People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail committees@tamworth.gov.uk preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.

To Councillors: M Gant, R Cook, S Doyle and P Seekings



MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON 27th OCTOBER 2011

PRESENT: Councillor M Gant (Chair), Councillors S Doyle, P Seekings and R Cook

Officers John Wheatley (Deputy Chief Executive and Corporate Director (Resources)), Jane Hackett (Solicitor to the Council and Monitoring Officer) and Angela Struthers (Head of Internal Audit Services)

28 APOLOGIES FOR ABSENCE

None

29 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 22 September 2011 were approved and signed as a correct record.

(Moved by Councillor R Cook and seconded by Councillor M Gant)

30 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

31 RISK MANAGEMENT REPORT 2011/12

The report of the Head of Internal Audit Services informing Members on the Risk Management process and progress made to date for the current financial year was considered.

RESOLVED: That the Committee considered and endorsed the Risk Management Process and the progress made to date for the current financial year.

32 INTERNAL AUDIT QUARTERLY REPORT 2011/12 (QUARTER 2 JULY - SEPT)

The Report of the Head of Internal Audit Services informing Members on the outcome of Internal Audit's review of the internal control, risk management and governance framework in the second quarter of 2011/12, and providing Members with assurance of the ongoing effective operation of an internal audit function and enabling any particularly significant issues to be brought to the Committee's attention was considered.

RESOLVED: That the Committee considered and endorsed the Internal Audit Review and the assurance of an ongoing effective operation of the internal audit function.

33 REGULATION OF INVESTIGATORY POWERS ACT 2000

The Report of the Solicitor to the Council informing members of the surveillance carried out under the Regulation of Investigatory Powers Act 2000 was considered.

RESOLVED: That the quarterly RIPA monitoring report which indicated that no RIPA Applications in the quarterly period to 30 September 2011 was endorsed.

Chair

AUDIT & GOVERNANCE COMMITTEE

26 January 2012

Regulation of Investigatory Powers Act 2000

Report of the Solicitor to the Council and Monitoring Officer

1. Recommendation

1.1. That Audit and Governance Committee endorse the quarterly RIPA monitoring report.

2. Purpose

2.1. The Council's Code of Practice for carrying out surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) specifies that quarterly reports will be taken to Audit & Governance Committee to demonstrate to elected members that the Council is complying with its own Code of Practice when using RIPA.

2.2. On 14 December 2010, the Council adopted the RIPA policy and agreed that quarterly reports on the use of RIPA powers be submitted to Audit & Governance Committee.

3. Background Information

3.1. The RIPA Code of Practice produced by the Home Office in April 2010 introduced the requirement to produce quarterly reports to elected members to demonstrate that the Council is using its RIPA powers appropriately and complying with its own Code of Practice when carrying out covert surveillance. This requirement relates to the use of directed surveillance and covert human intelligence sources (CHIS).

3.2. The table below shows the Council's use of directed surveillance in the current financial year to provide an indication of the level of use of covert surveillance at the Council. There have been no applications under RIPA in the quarterly period from 1 October to 31 December 2011.

3.3. The table outlines the number of times RIPA has been used for directed surveillance, the month of use, the service authorising the surveillance and a general description of the reasons for the surveillance. Where and investigation is ongoing at the end of a quarterly period it will not be reported until the authorisation has been cancelled. At the end of the current quarterly period there are no outstanding authorisations.

3.4. There have been no authorisations for the use of CHIS.

Financial year 2011/12

Month	Service	Reason
No applications		

4. Background papers

4.1. None

“If Members would like further information or clarification prior to the meeting please contact Jane M Hackett Solicitor to the Council and Monitoring Officer on Ext.258”

Annual Audit Letter

Tamworth Borough Council

Audit 2010/11



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Key messages

This report summarises the findings from my 2010/11 audit. My audit comprises two elements:

- **the audit of your financial statements; and**
- **my assessment of your arrangements to achieve value for money in your use of resources.**

I have included only significant recommendations in this report. The Council has accepted these recommendations.

Key audit risk	Our findings
Unqualified audit opinion	●
Proper arrangements to secure value for money	●

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mainly to enhance or correct its disclosures and were not related to IFRS. This is a commendable achievement given the challenge posed by IFRS.

Value for money

I reported that the Council had arrangements in place to secure adequate value for money.

The Council is facing unprecedented financial challenges following a 35 per cent fall in central government funding from 2010/11 onwards. It has identified a funding gap of £3.5 million over the period to 2014/15, although the relatively healthy level of accumulated reserves means that this will be used to smooth the spending reductions.

As at Quarter 2 of 2011/12, officers are reporting an under-spend of £349,000 for the year to date, and a projected over spend of £39,000 for the full year. The Council has instigated actions to mitigate the areas of overspend.

Audit opinion and financial statements

This year was the first time that your financial statements had to comply with International Financial Reporting Standards (IFRS). This provided a significant challenge because of the number and nature of lease arrangements in place.

The Council responded well to this challenge and carried out a significant amount of work to review the accounting treatment of its leases and to make appropriate accounting disclosures.

I gave an unqualified opinion on the Council's 2010/11 financial statements on 27 September 2011. No material amendments were made to the accounts in the course of the audit. The amendments were

Current and future challenges

Economic downturn and pressure on the public sector.

The Corporate Director Resources has reported to the Cabinet the impact of the cuts in central government funding and the need to make savings of around £1.1 million per year from 2011/12 onwards. The careful management of finances in recent years has meant that the Council has been able to manage the funding reductions in an orderly manner without significant reductions in the quality of its services. However, the financial pressures will continue over the next few years, and the Council needs to continue to be prudent.

Joint arrangements/
shared services

The Council entered into a Joint Administrative Arrangement for its waste collection and management service with Lichfield District Council from July 2010. The joint service has recently won the 'National Recycling Award for the Local Authority Team of the Year' and has been successful in delivering significant financial savings alongside improved service to citizens of both Councils.

Specifically in Tamworth recycling rates have increased from 43.5 per cent to 48.7 per cent in the first nine months of the service, and is currently achieving 50.6 per cent over the last six months. The amount of residual waste collected has dropped by just over 50kgs per household in the same timescale as a direct consequence of the new arrangements.

The cost saving for Tamworth during the first year was in excess of £450,000 from its previous budget.

Collectively carbon emissions have been reduced by 141,500 kgs between the two authorities.

The arrangements need to be kept under review to see if there are opportunities to secure more efficiencies, particularly through:

- reducing any unnecessary mileage by ongoing collection round reviews; and
- reviewing disposal and composting facilities in conjunction with the County Council to ensure they are in optimum locations.

IFRS

The Council has managed the challenge of implementing IFRS successfully. There will continue to be areas requiring more work, such as component accounting which the Council will need to implement as it revalues its property plant and equipment. The Council will also need to revisit its lease arrangements to ensure the accounting disclosures remain appropriate.

Housing Subsidy

The proposed reforms of the HRA subsidy arrangements are expected to take place on 28 March 2012. This will involve the Council paying funds to the Department for Communities and Local Government (CLG) which will remove the Council from the HRA subsidy system. The expected payment is £45.148 million. This will affect the capital structure of the Council, as the HRA Capital Financing Requirement will rise by the size of the CLG payment. The treasury management service will need to consider the funding implications for the extra borrowing.

Current and Future Funding – Localisation of Business Rates and Council Tax Benefit

Under existing arrangements, business rates revenue collected by local authorities is pooled for redistribution to local authorities in England. So while local authorities have a vital role to play in supporting the local economy, there is limited direct fiscal incentive to do so.

Localising support for council tax is part of a wider policy of decentralisation, giving councils increased financial autonomy and a greater stake in the economic future of their local area. This supports the Government's wider agenda to enable stronger, balanced economic growth across the country and complements the Government's proposals for other incentives, such as the New Homes Bonus.

In July 2011, the Local Government Resource Review (Phase One) published for consultation its proposals to allow Councils to retain their locally-raised business rates. These proposals represent a fundamental shift in the way that local authorities are funded, freeing councils from dependence upon central Government grant and giving them a strong financial incentive to drive local economic growth. The proposals allow councils to retain some but not all of the business rates collected.

Similarly, Councils were consulted in August 2011 on localising support for council tax.

You need to assess the impact for the Council once the Government publishes more information.

Financial statements and annual governance statement

The Council's financial statements and annual governance statement are an important means by which the Council accounts for its stewardship of public funds.

Overall conclusion from the audit

I issued an unqualified opinion on the Council's statement of accounts on 27 September 2011.

2010/11 was the first year for which the Council was required to prepare accounts in line with International Financial Reporting Standards (IFRS). The draft accounts prepared were of a good standard and complied in most respects with these requirements. My report to the Audit Committee on 22 September 2011 identified the need for some disclosure amendments to fully comply.

There were no significant amendments necessary to the accounts. The amendments were mainly to enhance or correct disclosures.

Significant weaknesses in internal control

I did not identify any significant weaknesses in your internal control arrangements.

Value for money

I considered whether the Council is managing and using its money, time and people to deliver value for money. I assessed your performance against the criteria specified by the Audit Commission and have reported the outcome as the value for money (VFM) conclusion.

I assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against two criteria specified by the Audit Commission. My overall conclusion is that the Council has adequate arrangements to secure, economy, efficiency and effectiveness in its use of resources.

My conclusion on each of the two areas is set out below.

Value for money criteria and key messages

Criterion	Key messages
<p>1. Financial resilience</p> <p>The organisation has proper arrangements in place to secure financial resilience.</p> <p>Focus for 2010/11:</p> <p>The organisation has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</p>	<p>I have reviewed the Council's financial governance, financial planning and financial control arrangements and consider that the Council has robust systems and processes in place to effectively manage financial risks and opportunities, and to secure a stable financial position.</p> <p>The Director of Finance has reported to the Council the impact of the cuts in central government funding and the need to make savings of around £1.1 million per year from 2011/12 onwards. The Council's prudent approach in recent years has resulted in a good level of reserves. This gives the Council a cushion as the current levels of reserves are sufficient to ensure it can operate effectively until the end of 2014/15 whilst maintaining a prudent level of reserves at the end of the period. It has already taken action to reduce costs and is making good progress in making the savings required to ensure it is in sound financial position for the foreseeable future.</p>

Criterion

2. Securing economy efficiency and effectiveness
The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

Focus for 2010/11:

The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Key messages

There is strong leadership from senior management and members on prioritising resources and spending reductions. The Council has the capacity to deliver the scale of the spending reductions required of it without adversely impacting on services.

The Council uses benchmarking to identify areas of high spend/poor performance. It takes action to address these areas. An example of this is the changes made to housing repairs which has resulted in lower costs and improved customer satisfaction.

The Council explores other areas to gain efficiencies. This includes provision of a reception desk that can deal with Staffordshire County Council related queries; and provision of IT helpdesk facility to Bromsgrove DC.

Closing remarks

I have discussed and agreed this letter with the Chief Executive and the Corporate Director Resources. I will present this letter at the Audit & Governance Committee on 26 January 2012 and will provide copies to all board members.

Further detailed findings, conclusions and recommendations in the areas covered by our audit are included in the reports issued to the Council during the year.

Report	Date issued
Report on Grant Claim certification	March 2011
Opinion Audit Plan	March 2011
Communication with the auditor on auditing standards	June 2011
Annual Governance Report	September 2011
Audit opinion on financial statements and VFM conclusion	September 2011
Annual Audit Letter	November 2011

The Council has taken a positive and constructive approach to our audit. I wish to thank the Council staff for their support and cooperation during the audit.

James Cook
Engagement Lead
November 2011

Appendix 1 - Fees

	Actual	Proposed	Variance
Scale fee	115,000	115,000	0
Total	115,000	115,000	0

In addition, the Audit Commission, as regulator, made two rebates during the year totalling £16,100 (14 per cent of audit fee).

Appendix 2 - Glossary

Annual governance statement

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate, lead their communities.

The annual governance statement is a public report by the Council on the extent to which it complies with its own local governance code, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

Audit opinion

On completion of the audit of the financial statements, I must give my opinion on the financial statements, including:

- whether they give a true and fair view of the financial position of the audited body and its spending and income for the year in question; and
- whether they have been prepared properly, following the relevant accounting rules.

Opinion

If I agree that the financial statements give a true and fair view, I issue an unqualified opinion. I issue a qualified opinion if:

- I find the statements do not give a true and fair view; or
- I cannot confirm that the statements give a true and fair view.

Value for money conclusion

The auditor's conclusion on whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources based on criteria specified by the Audit Commission.

If I find that the audited body had adequate arrangements, I issue an unqualified conclusion. If I find that it did not, I issue a qualified conclusion.

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0844 798 7070

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- any director/member or officer in their individual capacity; or
- any third party.



Certification of claims and returns - annual report

Tamworth Borough Council

Audit 2010/11



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Introduction

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and are required to complete returns providing financial information to government departments. My certification work provides assurance to grant-paying bodies that claims for grants and subsidies are made properly or that information in financial returns is reliable. This report summarises the outcomes of my certification work on your 2010/11 claims and returns.

Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of authorities, make arrangements for certifying claims and returns because scheme terms and conditions include a certification requirement. Where such arrangements are made, certification instructions issued by the Audit Commission to its auditors set out the work auditors must do before they give their certificate. The work required varies according to the value of the claim or return and the requirements of the government department or grant-paying body, but in broad terms:

- for claims and returns below £125,000 the Commission does not make certification arrangements and I was not required to undertake work;
- for claims and returns between £125,000 and £500,000, I undertook limited tests to agree form entries to underlying records, but did not undertake any testing of eligibility of expenditure; and
- for claims and returns over £500,000 I planned and performed my work in accordance with the certification instruction to assess the control environment for the preparation of the claim or return. From this I decided whether or not to place reliance on it. Depending on the outcome of that assessment, I undertook testing as appropriate to agree form entries to underlying records and test the eligibility of expenditure or data.

Claims and returns may be amended where I agree with your officers that this is necessary. My certificate may also refer to a qualification letter where there is disagreement or uncertainty, or you have not complied with scheme terms and conditions.

Summary of my 2010/11 certification work

The Authority has again generally performed well in preparing claims and returns.

My work gave rise to qualification and amendment of only one of the six claims and returns for the year ended 31 March 2011. This was the housing and council tax benefit scheme. None of the other five claims that the Authority was required to submit for certification required amendment or a qualification letter accompanying my certificate. As in previous years the working papers provided in support of the claims and returns were of a good standard and officers responded promptly to questions asked. Despite being able to place reliance on the controls environment, I was required by the Audit Commission to perform detailed testing on 3 of the claims. The detail is provided in Table 2.

Table 1: Summary of 2010/11 certification work

Number of claims and returns certified	6
Total value of claims and returns certified	£58,026,347
Number of claims and returns amended due to errors	1
Number of claims and returns where I issued a qualification letter because there was disagreement or uncertainty over the content of the claim or return or scheme terms and conditions had not been complied with	1
Total cost of certification work	£38,446

Results of 2010/11 certification work

This section summarises the results of my 2010/11 certification work and highlights the significant issues arising from that work.

There were no significant issues arising from my 2010/11 certification work.

Table 2: Claims and returns above £500,000

Claim or return	Value of claim or return presented for certification (£'000)	Was reliance placed on the control environment?	Value of any amendments made (£'000)	Was a qualification letter issued?
Housing and council tax benefit scheme	25,739	Y - however the work programme agreed with DWP requires me to undertake the full range of testing.	14	Y - see foot of table for the qualifications issued.
HRA subsidy	2,682	Y – however the Audit Commission required me to do the full testing programme due to the value of the claim	0	N
Housing finance base data return – there is no value	N/a	Y – however due to impending changes in	0	N

Claim or return	Value of claim or return presented for certification (£'000)	Was reliance placed on the control environment?	Value of any amendments made (£'000)	Was a qualification letter issued?
<p>claimed this is a return of the Council's housing dwellings stock)</p>		<p>housing subsidy arrangements the Audit Commission required all auditors to do the full testing programme.</p>		
<p>National non-domestic rates return</p>	<p>29,131</p>	<p>Yes – note that in 2011/12 I will be required to do the full testing programme due to the value of the claim</p>	<p>0</p>	<p>N</p>

The Housing and council tax benefit scheme was qualified on the following grounds:

- Rent allowances - extrapolation of impact on the cell for one case out of 60 tested where the claimant's income was miscalculated;
- extrapolation of impact on the cell for one case out of 60 tested where the benefits expenditure was misclassified as a case requiring referral to a rent officer .

Council Tax Benefit - extrapolation of impact on the cell for one case out of 60 tested where benefit was overpaid because of failure to apply Single Person Discount;

- extrapolation of impact on the cell for one case out of 60 tested where the benefits overpayment error type was misclassified;
- extrapolation of impact on the cell for one case out of 60 tested where the benefit was overpaid as a result of applying the incorrect date from which the claimant's income had changed;
- reporting that two cases were identified that were misclassified between different error types. Officers assert that the related regulations did not come into force until 1 April 2011 and have written to DWP on this basis. I have reported that I did no further testing as a result of this. A response is awaited from DWP.

None of the errors identified had a significant impact on the amount of the claim. The claim was amended by £14,015 representing 0.05% of the amount initially claimed. This would not have a material impact on the accounts.

The Head of Benefits carried out a significant amount of additional testing herself to understand how the errors had occurred. My work confirmed the results of this testing. She has already put in place further controls to mitigate the risk of these errors occurring in the future. This reflects officers' good approach to stewardship of monies received via grant claims. My work on the additional testing together with my work on the Qualification Letter means that the audit fee for the benefits grant claim has increased significantly this year.

Claims between £125,000 and £500,000

Claim or return	Value of claim or return presented for certification (£'000)	Value of any amendments made	Qualification letter
Pooling of housing capital receipts	324	0	No
Disabled facilities	150	0	No

Summary of progress on previous recommendations

I have not previously made any such recommendations.

Summary of recommendations

This section highlights the recommendations arising from my certification work and the actions agreed for implementation.

Table 3: Summary of recommendations arising from 2010/11 certification work

Recommendation	Priority	Agreed action	Date for implementation	Responsible officer
Ensure the controls put in place to mitigate the risk of similar errors arising in Housing and Council Tax subsidy claims administration are effective.	H	Review to be undertaken of the impact of extra quality checking of claims processing.	Immediately	Karen Taylor, Head of Benefits.

Summary of certification fees

This section summarises the fees arising from my 2010/11 certification work and highlights the reasons for any significant changes in the level of fees from 2009/10.

Table 4: Summary of certification fees

Claim or return	2010/11 fee	2009/10 fee	Reasons for changes in fee greater than +/- 10 per cent
Housing and council tax benefit scheme	£29,390	£18,415	Errors were detected that required me to do more work than was anticipated when setting the planned fee. In addition I had to write a qualification letter to the DWP which took up time that was not envisaged when planning the audit fee in March 2010.
Pooling of housing capital receipts	£730	£730	n/a
HRA subsidy	£2,805	£1,493	The end of the housing subsidy regime increased the risks with this claim. Thus I could not place reliance on the control environment alone.
Housing finance base data return	£4,043	£1,290	Audit Commission instructions, required me to assess this return as high risk at all authorities. This is due

Claim or return	2010/11 fee	2009/10 fee	Reasons for changes in fee greater than +/- 10 per cent
National non-domestic rates return	£1,003	£1,521	to the fact that the return will inform the HRA self-financing settlement determination which will establish the self-financing arrangements for many years to come. Therefore I could not place reliance on the controls environment and had to do detailed testing.
Disabled facilities	£475	£780	Efficiencies were gained from prior year experience and linking the work to that done for the accounts.
Total	£38,446	£24,229	Efficiencies were gained from prior year experience and linking the work to that done for the accounts.

The Engagement Lead's Fee letter dated 29 March 2010 stated that the planned fee for this work was £31,500. This was on the assumption that, as was the case previously, I would be able to place reliance on the controls environment for all claims except the Housing and council tax benefit scheme; and that I would not encounter errors that would entail further work.

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The Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body.



AUDIT & GOVERNANCE COMMITTEE

26th January 2012

Report of the Deputy Director Corporate Finance, Exchequer & Revenues

Virements Update 2011/12

Purpose

To advise Members of the higher level virements processed during the first half of the 2011/12 financial year.

Recommendation

That Members note the report & consider whether further information is required for any of the virements processed.

Executive Summary

Following a review, Members of the Audit & Governance Committee at the meeting held on 31st March 2011 considered changes to Financial Guidance completed in line with best practice. The adjustments to virement limits following the review were:

- The Corporate Director – Resources to approve virements up to £50,000 (previously £40,000)
- Chief Officers & Heads of Service to approve virements up to £30,000 (previously £25,000)

Members had previously resolved (minute 538 refers) that a quarterly report of virements be brought to committee highlighting the virements authorised above the previous virement limit.

However, given the relatively low number of virements requested by Chief Officers & Heads of Service (or equivalent) which were above the previous limits, together with the new virement levels, it was approved at the meeting of the Committee on 26th May 2011 that any exceptions over the previous limits (i.e. £25,000) be reported *half yearly* to this Committee.

There were two material virements above the previous virement limits during the first half year of 2011/12:

Cost Centre	Account	£	Reason for Virement	Authorised	File Ref
Staffordshire Hoard	Planned Costs	26,150DR	Establishment of budgets for exhibition costs together with associated income	D. Director Communities, Planning & Partnerships	AC1112 043
Staffordshire Hoard	Expected income	26,150CR			
Contract Procurement Costs	Planned Costs	30,000DR	Establishment of budget for the cost of procurement of the new housing maintenance contracts	D. Director Housing & Health	AC1112 052
Housing Repairs	Planned Maintenance	15,000CR			
Housing Repairs	Miscellaneous	15,000CR			

Resource & Legal / Risk Implications

There are no financial, legal or risk implications associated with this report.

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, Deputy Director Corporate Finance, Exchequer & Revenues on ext.242.

Background papers	Changes to Financial Guidance, Audit & Governance Committee, 31st March 2011
	Virements Update, Audit & Governance Committee 26 th May 2011

AUDIT & GOVERNANCE COMMITTEE

26th JANUARY 2012

Report of the Head of Internal Audit Services

INTERNAL AUDIT QUARTERLY REPORT 2011/12

EXEMPT INFORMATION

None

PURPOSE

To report on the outcome of Internal Audit's review of the internal control, risk management and governance framework in the 3rd quarter of 2011/12 - to provide members with assurance of the ongoing effective operation of an internal audit function and enable any particularly significant issues to be brought to the Committee's attention.

RECOMMENDATIONS

That the Committee considers the attached quarterly report and raises any issues it deems appropriate

EXECUTIVE SUMMARY

The Accounts and Audit Regulations 2011 (as amended) require each local authority to publish an Annual Governance Statement (AGS) with its Annual Statement of Accounts. The AGS is required to reflect the various arrangements within the Authority for providing assurance on the internal control, risk management and governance framework within the organisation, and their outcomes.

One of the sources of assurance featured in the AGS is the professional opinion of the Head of Internal Audit on the outcome of services' review of the governance framework. Professional good practice recommends that this opinion be given periodically throughout the year to inform the "annual opinion statement". This opinion is given on a quarterly basis to the Audit & Governance Committee.

The Head of Internal Audit Services quarterly opinion statement for October – December 2011 (Qtr 3) is set out in the attached document, and the opinion is summarised below.

Based on the ongoing work carried out by and on behalf of Internal Audit and other sources of information and assurance, my overall opinion of the control environment at this time is that "some assurance" can be given. Where significant deficiencies in internal control have been formally identified by management, Internal Audit or by external audit or other agencies,

management have given assurances that these have been or will be resolved in an appropriate manner. Such cases will continue to be monitored. Internal Audit's opinion is one of the sources of assurance for the Annual Governance Statement which is statutorily required to be presented with the annual Statement of Accounts.

Specific issues:

No specific issues have been highlighted through the work undertaken by Internal Audit during 2011/12 (to date).

For easy reference, performance against 2 key performance indicators for the service is set out in graphical form in Appendix 1 (% of draft reports issued within timeliness target) and Appendix 2 (% of audit recommendations agreed by management). The proportion of agreed management actions found to have been implemented is also shown graphically in Appendix 3.

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

None

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

Angela Struthers, Head of Internal Audit Services

LIST OF BACKGROUND PAPERS

None

APPENDICES

- Appendix 1 Percentage of draft reports issued within 15 days
- Appendix 2 Percentage of management actions agreed
- Appendix 2a Management actions agreed by number
- Appendix 3 Proportion of agreed management actions implemented 11/12

INTERNAL AUDIT ANNUAL REPORT/QUARTERLY REPORT – Q3 - 2011/12

1. INTRODUCTION

Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Every local authority is statutorily required to provide for an adequate and effective internal audit function. The Internal Audit service provides this function at this Authority.

This brief report aims to ensure that Committee members are kept aware of the arrangements operated by the Internal Audit service to monitor the control environment within the services and functions of the authority, and the outcome of that monitoring. This is to contribute to corporate governance and assurance arrangements and ensure compliance with statutory and professional duties, as Internal Audit is required to provide periodic reports to "those charged with governance".

2. PERFORMANCE AND PROGRESSION AGAINST AUDIT PLAN

The Internal Audit service aims as one of its main Performance Indicators (PI's) to complete work on at least 90% of applicable planned audits by the end of the financial year, producing draft reports on these where possible/necessary. As in previous years it is expected that not all 62 planned areas of audit work will remain to be delivered for various reasons, eg due to changes within services, delays to projects, or reasonable requests to delay from managers due to unexpected demands or resource problems eg sickness. The service thus plans to complete 90% of those audits that are deliverable in the year.

The Internal Audit service has completed or has underway 40 audit areas of work. Of the 52 audits planned to be completed by the end of this quarter, 6 of these have been postponed until a later date for agreed service reasons. The Internal Audit Service has completed works in additional areas as requested by management. As previously described, the plan has been actively managed to seek to ensure delivery of good practice levels over the year. Areas of audit work include the planned audits of systems plus activities that contribute to the overall governance of the authority.

The service also reports quarterly on the percentage of draft reports issued within 15 working days of the completion of fieldwork. All (100%) of the 5 draft reports issued in this quarter of the year were issued within this deadline. The service has increased the performance indicator for the issue of draft reports to 100% for this financial year as this was achieved during each quarter of 2010/11. (see graph at Appendix 1).

The Head of Internal Audit Services is responsible for ensuring that the work of the service is of appropriate quality to meet professional standards, and has in place, on an ongoing basis, a number of processes to meet this aim. For instance, there is an Audit Manual in place to guide auditors in their work, the Head of Internal Audit Services carries out independent review of auditors work to ensure professional standards are met, the service benchmarks its performance against other such services in the region, quality control questionnaires are issued to managers for their view on the work of the service, and so on. The service is also subject to review by the external auditor, who places reliance on the work of the service. It is considered

that the service continues to ensure professional standards are in place, and indeed in its move to risk based auditing is ahead of most other similar audit services in the region in adopting emerging good practice.

3. AUDIT REVIEWS COMPLETED QUARTER 3 2011/12

Internal Audit carries out reviews in compliance with its approved annual Audit Plan and additional areas where necessary, and reports on these to management in accordance with its approved Reporting Protocol. The audits finalised since the previous quarterly report were as shown below and detail the number of recommendations made and their priority.

	H	M	L	Agreed
• Treasury Management	-	-		N/A
• Planning	-	1		1
• Council Tax	-	6		6
• Property Contracts	3	2		5
• Freedom Of Information	10	8		18
• Payroll	1	4		5
• Virtual Servers	3	14	3	20

As part of each audit review, recommendations are made where necessary to address areas where the Internal Audit service considers controls, or compliance with controls, could be improved to help to manage risks to service objectives and ensure service objectives are met.

Accordingly a total of 55 new audit recommendations were made in this quarter of which 55 (100%) were agreed by management (this is the third main service PI – see Appendix 2. Appendix 2.1 shows the number of recommendations made and agreed). Internal Audit is satisfied with the management responses received to the recommendations made in this period. Each audit will be reviewed within the specified time scale and the implementation status of the audit recommendations reported.

The service revisits areas it has audited around 6 months after agreeing a final report on the audit, to test and report to management on the extent to which agreed actions have been taken. Work in this quarter to review the level of implementation of recommendations previously agreed found that of 11 recommendations due to be implemented, 6 (55%) had been implemented or partially implemented in the agreed timescale (Appendix 3). Internal Audit is fairly satisfied with the progress made by management to reduce the levels of risk through the year. One high risk recommendation has yet to be completed in relation to Emergency Planning and the access restriction or destruction of old plans to comply with the Data Protection Act.

4. OVERALL CURRENT INTERNAL AUDIT OPINION

Based on the ongoing work carried out by and on behalf of Internal Audit and other sources of information and assurance, my overall opinion of the control environment at this time is that “some assurance” can be given. Where significant deficiencies in internal control have been formally identified by management, Internal Audit or by external audit or other agencies, management have given assurances that these

have been or will be resolved in an appropriate manner. Such cases will continue to be monitored. Internal Audit's opinion is one of the sources of assurance for the Annual Governance Statement which is statutorily required to be presented with the annual Statement of Accounts.

Specific issues:

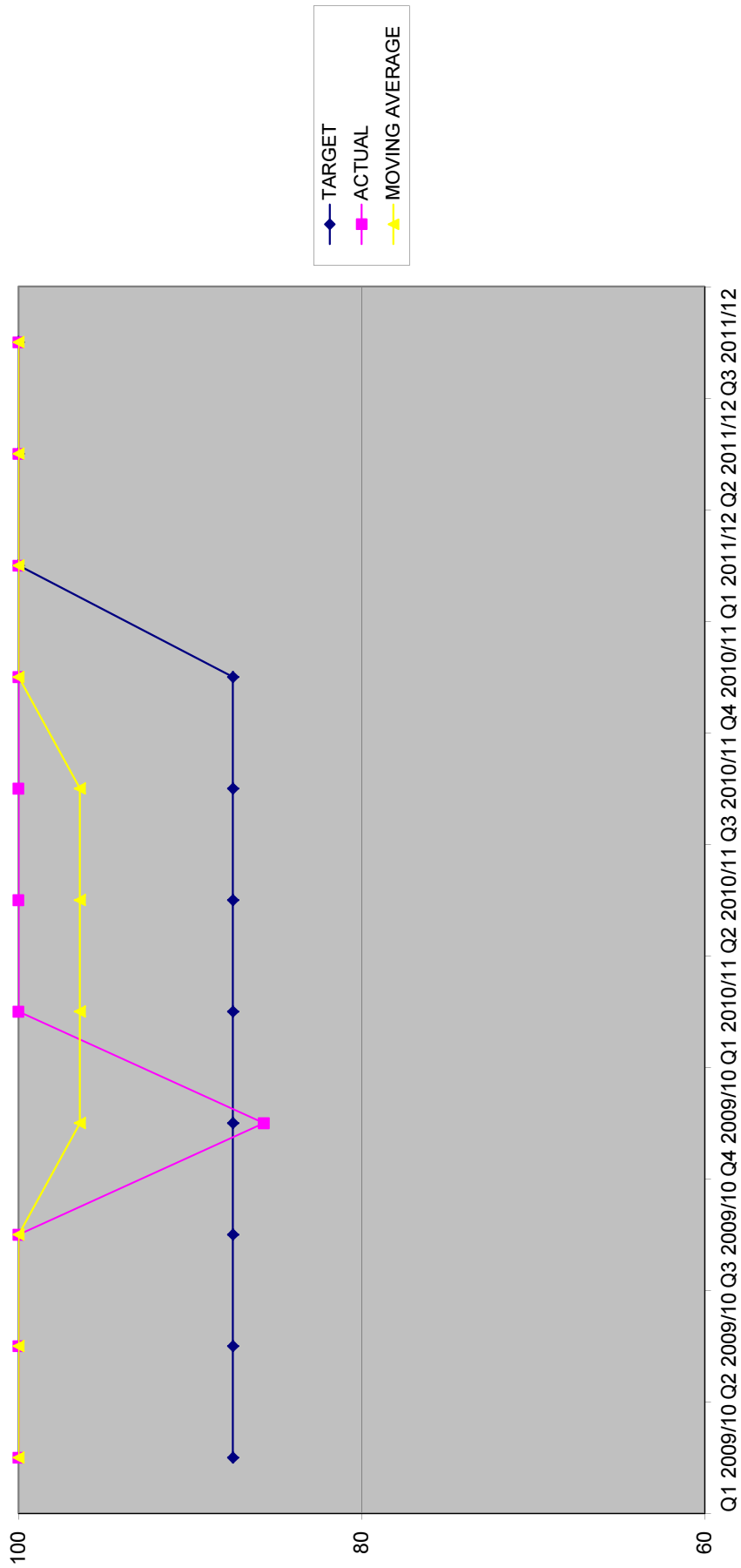
There were no specific issues highlighted through the work of Internal Audit in the second quarter of the 2011/12 financial year

Angela Struthers,
Head of Internal Audit Services

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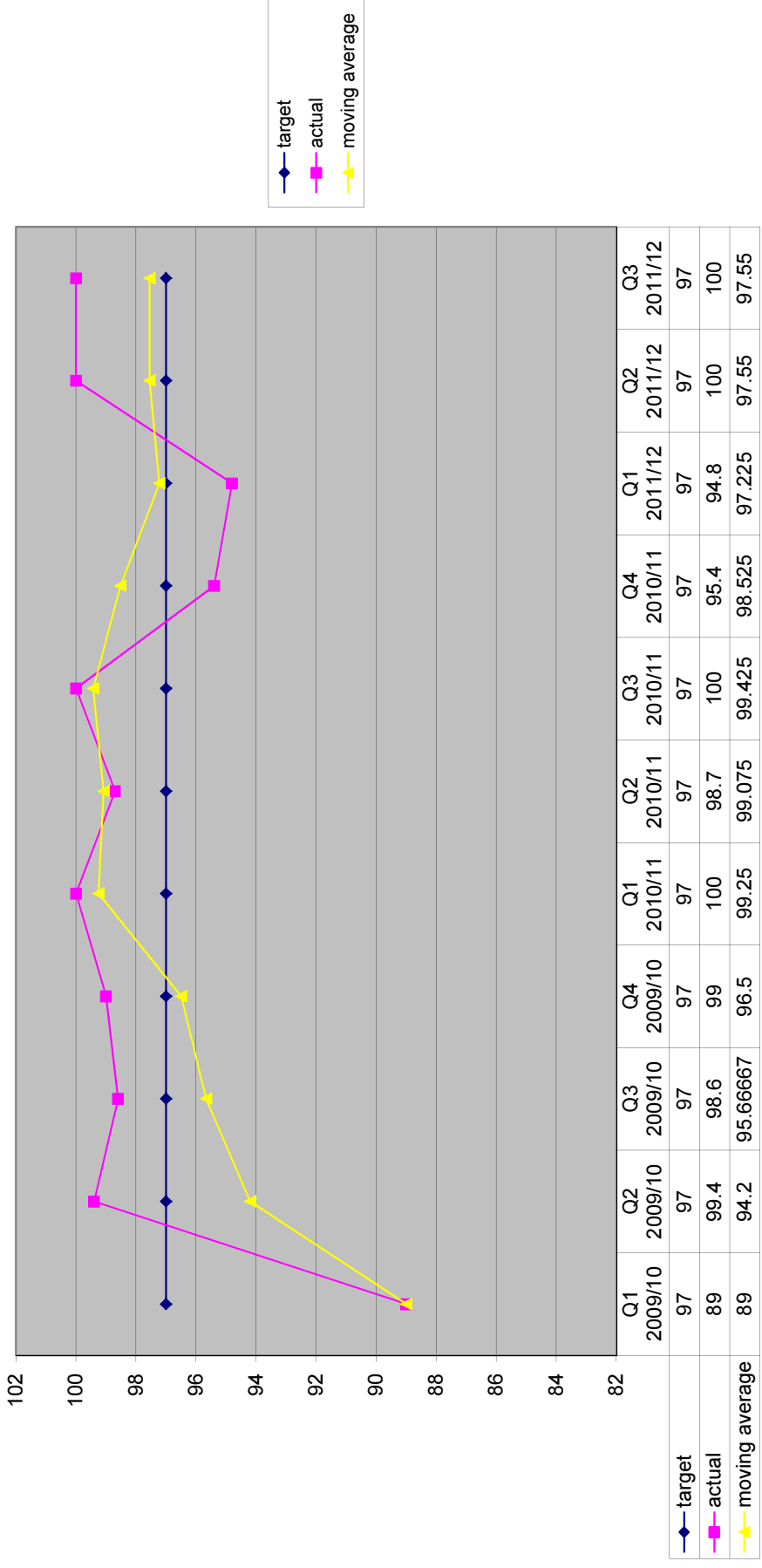
Appendix 1

Percentage of draft reports issued within 15 days



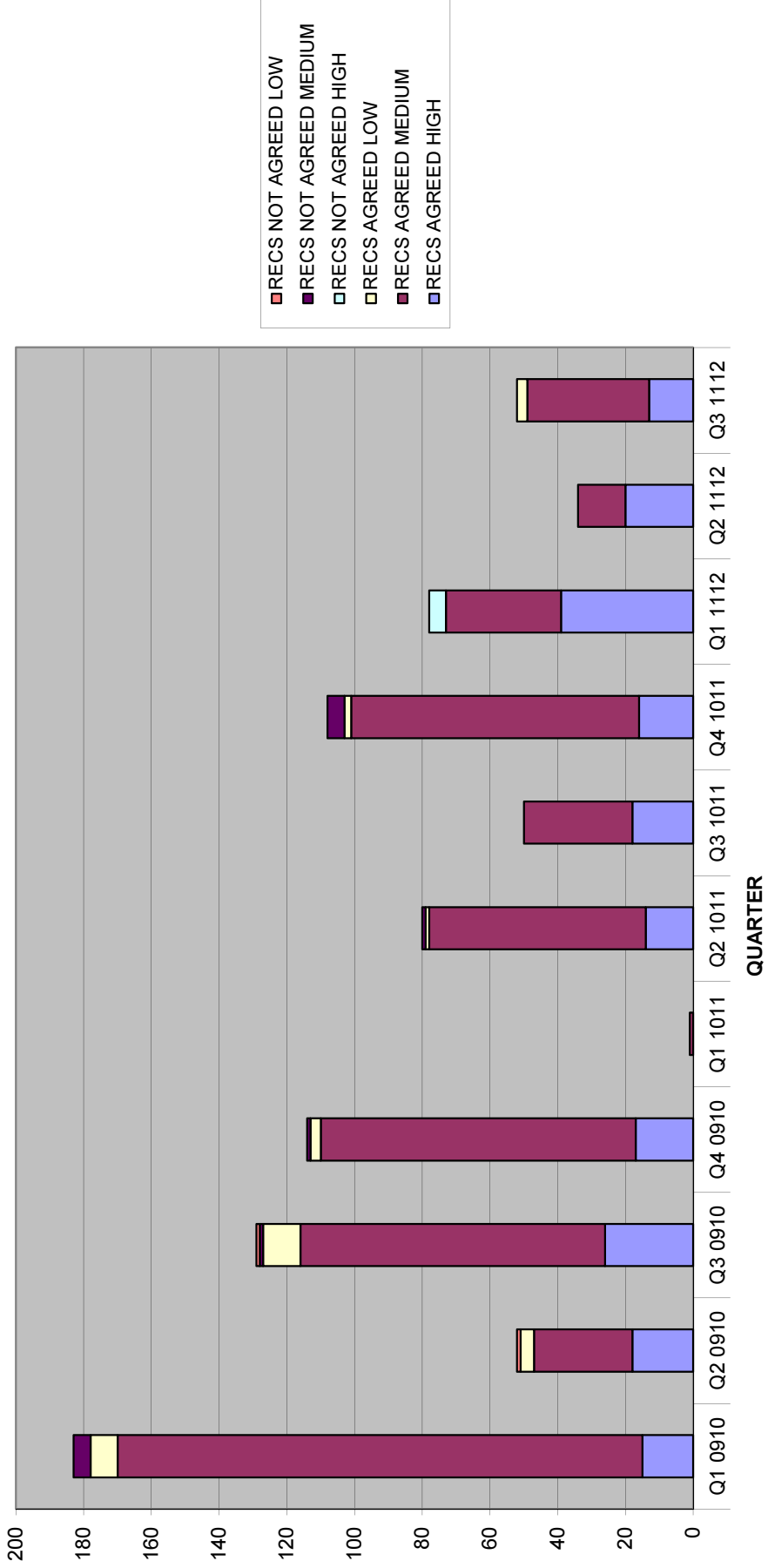
Appendix 2

Percentage of management actions agreed

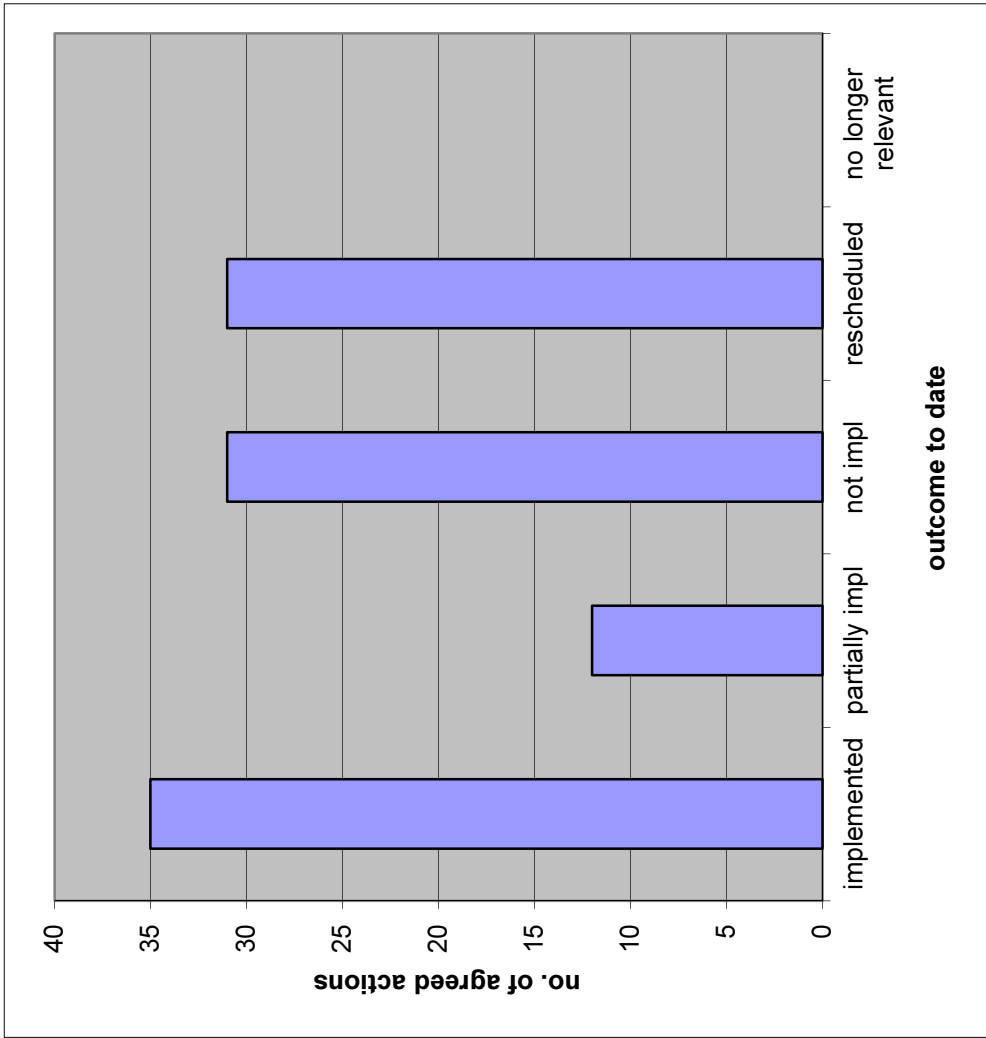


Appendix 2.1

MANAGEMENT ACTIONS AGREED BY NUMBER



Proportion of agreed management actions implemented 2011/12



AUDIT & GOVERNANCE COMMITTEE

26th JANUARY 2012

Report of the Head of Internal Audit Services

RISK MANAGEMENT REPORT 2011/12

EXEMPT INFORMATION

None

PURPOSE

To report on the Risk Management process and progress to date for the current financial year.

RECOMMENDATIONS

That the Committee considers this report and raises any issues it deems appropriate.

EXECUTIVE SUMMARY

One of the functions of the Audit & Governance Committee is to monitor the effectiveness of the authority's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management.

Work completed this financial year includes the complete review of the Corporate Risk Register. The Corporate Risk Register is reviewed by Corporate Management Team (CMT) on a quarterly basis. Corporate risks have been assigned to relevant members of the Corporate Management Team.

Through this regular review, risks may be added or removed from the Corporate Risk Register. Three additional risks have been identified as part of the latest review and added to the Corporate Risk Register (CPR1112_11/12 &13).

Work is currently underway to ensure that the operational risk register entries are aligned to the corporate risks. This will also identify areas where operational risk registers need to be updated to ensure that operationally, the corporate risks are managed.

The Corporate Risk Register is attached for information (Appendix A).

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

As identified in the report

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

Angela Struthers, Head of Internal Audit Services ext 234

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix A

Appendix A


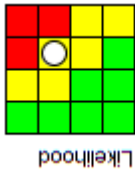
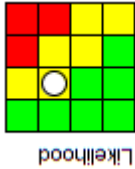


corporate risk register 1112

Generated on: 17 January 2012

Risk Code	CPR1112_01	Risk Title	Financial	Current Risk Status
Description of Risk	Loss of Funding and Financial Stability			Assigned To Stefan Garner; John Wheatley
Gross Risk Matrix		Risk Treatment Measures Implemented		
Gross Risk Score	9	Budget planning and monitoring		Current Risk Score 6
Gross Severity	3	Medium term financial strategy		Current Severity 3
Gross Likelihood	3	Treasury Management Strategy, annual outturn & strategy approved by Council. regular monitoring WRIEP, grantfinder. Grant income sourced where possible Value for money group set up within the authority Management Accountant allocated responsibility for VFM Developing benchmarking process within the authority to evaluate and understand costs/performance/outputs including CIPFA benchmarking, reviewing high spend, annual internal audit review of audit commission benchmarking data Performance setting Procurement section, contracts register Business case reviews SCFOG/Networking Active engagement in central government reform and change agenda Effective use of assets eg Marmion House, agile working project		Current Likelihood 2
Gross Risk Review Date				Last Risk Review Date 16-Jan-2012
Consequences	Cuts in services Quality of service decline partnership relationships become strained uncoordinated cuts financial savings not achieved miss out on funding			




	<p>inability to meet on-going costs Significant impact on the economic health of the local community Budgets exceeded minimum reserves not maintained Budgets not balanced Potentially acting illegally Reputation Issues</p>
<p>vulnerabilities/causes</p>	<p>budget shortfalls funding gaps increase through grant cuts recession increase impact on services required failure to manage investments failure to manage budgets missing key business funding opportunities HRA reform New Homes Bonus Spending review Council Tax freeze Failure to maximise incentive funding RTB's one for one replacement Disabled Facilities Grants</p>
<p>Risk Notes</p>	

Risk Code	CPR1112_02	Risk Title	Reputation	Current Risk Status	
Description of Risk	Damage to Reputation			Assigned To	Anica Goodwin; Tony Goodwin
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Increased use of multi media to consult/communicate		Current Risk Score	6
Gross Severity	3	Members surgeries		Current Severity	2
Gross Likelihood	3	Celebrating success State of Tamworth debate PR & Communications Tell Us Scheme Tamworth Listens Standards Ombudsmen report Monitoring of news stories Service delivery standards Contract monitoring Codes of conduct Policies and procedures Service Standards Training for all staff and members in media/press/use of social media		Current Likelihood	3
Gross Risk Review Date				Last Risk Review Date	16-Jan-2012
Consequences	erosion in trust and confidence service failure loss of income increased cost of working fall in satisfaction levels loss of public support claims in tribunal/personal liability loss of peer group credibility				
Vulnerabilities/causes	Failure to match social and political expectations failure to act on feedback crisis and major incident management failures failure to deliver minimum standards of service Third party supply chain failure non-compliance with legislation unethical practices by officers/members				




<p>Risk Notes</p>	<p>security breaches by officers/members personal actions by officers/members misuse of social media by officers/members</p>
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Risk Code	CPR1112_03	Risk Title	Governance & Regulatory Failure	Current Risk Status	
Description of Risk	Failure to achieve adequate Governance Standards and statutory responsibilities			Assigned To	Jane Hackett; John Wheatley
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Financial guidance Audit & Governance Committee Scrutiny Committees Annual Governance Statement Whistleblowing Policy and Counter Fraud and Corruption Strategy Section 151 functionality and Monitoring Officer Internal Audit External Audit Standards Committee Partnership Guidance Managers Assurance Statements Constitution Code of Conduct Relevant policies and procedures Legislation training for officers and members Continual CPD and other training Regular legal updates development of member training plan development of e learning solution Net Consent for policy management and acceptance Insurance policies TULG Obligations under Environmental Protection Act and Public Health Act PDR process Electoral Process Changes to Governance, Constitution Meetings scheduled		Current Risk Score	4
Gross Severity	3			Current Severity	2
Gross Likelihood	3			Current Likelihood	2
Gross Risk Review Date				Last Risk Review Date	16-Jan-2012
Consequences	non-compliance with legal requirements fraud poor performance damage to reputation				

	<p>prosecution, fines death or injury to public and/or staff audit criticism poor inspection comments legal challenge Ultra vires Resource demand</p>
<p>Vulnerabilities/causes</p>	<p>Lack of training lack of documented procedures lack of commitment from officers and members failure to understand the importance No governance Lack of accountability Non compliance with legislation fraud Poor performance failure to manage or be aware of legal responsibilities/changes to legislation lack of resources loss of key staff inappropriate decision making Changes to political control</p>
<p>Risk Notes</p>	<p>Localism Act, Welfare Benefit reform,</p>


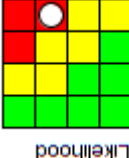

Risk Code	CPR1112_04	Risk Title	Partnership Working and Supply Chain Challenges	Current Risk Status	
Description of Risk	Failure in partnership working, shared services or supply chain			Assigned To	Andrew Barratt; Rob Mitchell
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9		Partnership Governance Policy and training on the policy in place	Current Risk Score	4
Gross Severity	3		Partnership arrangements in place, eg contracts, shared service agreements	Current Severity	2
Gross Likelihood	3		Effective contract/partnership monitoring	Current Likelihood	2
Gross Risk Review Date			Business Continuity plans in place	Last Risk Review Date	16-Jan-2012
			Risks identified and managed		
			Constitutions in place for some partnerships		
			TBC Business Continuity Group		
			Adequate terms of reference		
			Adherence to contracts register		
Consequences	Services not delivered Damage to reputation Loss of knowledge, intellectual property and other assets Loss of quality service Criticism from external auditors/assessors Customer dissatisfaction Lack of resources Workforce opposition High exit costs Costs not reduced Efficiencies not gained Waste not eliminated Regulations not met				
Vulnerabilities/causes	Failure to meet service delivery expectations Partner has financial failure Supplier incident eg data loss, governance issue Service delivery collapses during wide spread major incident Third party supply chain failure Partner under performs Failure to assess and manage the risks arising from the use of third parties Failure to set and manage contractual conditions and performance targets Failure to get management support				



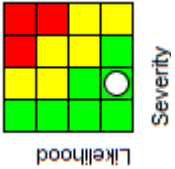
	<p>Staff turnover increases Poor, incomplete knowledge transfer Scope of change too narrow/too broad benefits not realised Political change of policy</p> <p>Partnerships in place - waste, health & safety, Economic Development, Building Control, Strategic Partnership, Housing Repairs, IT service desk</p>
Risk Notes	

Risk Code	CPR1112_05	Risk Title	Emergency & Crisis Response Threats	Current Risk Status	
Description of Risk	Failure to manage an external or internal emergency/disaster situation			Assigned To	Andrew Barratt; Nicki Burton
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	9	Emergency Plan in place Emergency planning training completed at various levels Business Continuity Plans in place		Current Risk Score	4
Gross Severity	3	Insurance cover in place to cover exposure to financial loss.		Current Severity	2
Gross Likelihood	3	Advice and guidance on Risk Management and Business Continuity on the intranet Emergencies advice available on website Building- fire prevention controls in place and tested on a regular basis Adequate physical security controls in place and reviewed on a regular basis IT business continuity plan in place and tested on a regular basis Service impact analysis completed to rank priority of services Corporate business continuity plan in place All communication plans tested on a regular basis Emergency plan tested on a regular basis Business Continuity Group Membership of Staffordshire CCU & Resilience Forum Effective communication /ICT tools/ infrastructure eg mobile phones, laptops		Current Likelihood	2
Gross Risk Review Date				Last Risk Review Date	16-Jan-2012
Consequences	Services not delivered Damage to reputation Civil Contingency Act requirements not met Death Destruction of property Damage to the environment				
Vulnerabilities/causes	Lack of integrated emergency arrangements making it difficult to react quickly to a disaster and provide the required support and essential service in line with the requirements of the Civil Contingencies Act. Failure to test plans Failure to undertake training				
Risk Notes					




Risk Code	CPR1112_06	Risk Title	Economic Changes	Current Risk Status	
Description of Risk	Failure to plan and adapt services to economic changes within the community				
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	6	<i>Link to CPR1112_01</i>			
Gross Severity	3	Strategic Priority			
Gross Likelihood	2	Keep up to date with comms from central government Adapt to downturn in economy - Tamworth Community Advice Network (TamworthCAN) Economic Bulletin distributed to management - shows regional and local economic statistics Management networks and leadership meetings Support to local businesses Think Local Business and Economic Partnership Solutions for Business External funding streams explored Medium term financial plan Regular review of business plans Economic Strategy LEP Core Strategy Local Investment Plan Localism Bill preparation			
Gross Risk Review Date		Last Risk Review Date			
		16-Jan-2012			
Consequences	Tamworth not developed No external funding to aid economy and growth Economic prosperity declines Detrimental effect on housing market People leave the borough Increased demand for social housing Impact on Council income Increased costs to Council services due to increased demand				
Vulnerabilities/causes	Failure to recognise economic changes Failure to recognise opportunities Sudden economic downturn affecting businesses, jobs, housing etc				

	<p> Collapse of the property market Changes in government funding/grants Change of government Loss of major employer in the region Rapid increase in inflation Under achievement of development/investment </p>
Risk Notes	


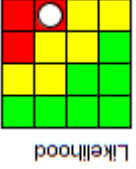
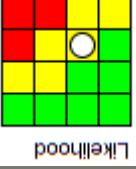
Risk Code	CPR1112_07	Risk Title	Data Loss & Privacy Incidents	Current Risk Status	
Description of Risk	Failure to secure data			Assigned To	Nicki Burton; John Wheatley
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Network security		Current Risk Score	9
Gross Severity	4	Physical security		Current Severity	3
Gross Likelihood	3	Security Policy, Information Security Manual		Current Likelihood	3
Gross Risk Review Date		Data Protection compliance and training		Last Risk Review Date	16-Jan-2012
Consequences	Fine Reputational damage Potential imprisonment Physical harm to staff Consequence for members of the public if their personal data lost/stolen	GCSX Environmental controls Established protocols			
Vulnerabilities/causes	Insecure IT equipment Human error Loss Theft Equipment failure Hacking				
Risk Notes					



Risk Code	CPR1112_08	Risk Title	Loss of Community Cohesion	Current Risk Status	
Description of Risk	Failure to achieve community cohesion	Risk Treatment Measures Implemented		Assigned To	Rob Barnes; Rob Mitchell
Gross Risk Matrix				Current Risk Matrix	
Gross Risk Score	4	No change to front line services		Current Risk Score	2
Gross Severity	4	Locality working		Current Severity	2
Gross Likelihood	1	ASB Policy		Current Likelihood	1
Gross Risk Review Gate		Partnership working		Last Risk Review Date	16-Jan-2012
		Financial Inclusion Policy			
		Community Engagement			
		Stronger Communities Group			
		Corporate consultation database			
		Services proactive in engaging communities			
		Data and intelligence used to inform service planning			
		Community cohesion awareness			
		Capacity building projects & initiatives			
		Impact assessments used			
		Horizon scanning Big Society/Localism impact			
		Stronger Communities Partnership			
		Responsible Authorities Group			
		Development of ASB hub			
		Links with Police			
		Community Cohesion Audit			
		Tamworth Strategic Partnership			
		Strategic priority			
		Total Place			
Consequences	Long term costs Not meeting/understanding users needs Increase in crime and disorder Poor use of funding Increased tensions in the community No community commitment/ownership to the authorities vision Low level of community cohesion Fear of perception of crime Failure to meet demand				
Vulnerabilities/causes	Services withdrawn				




Risk Notes	<p>Big Society does not take off Communities become fragmented Increase in ASB Increase in financial deprivation Lack of interest from the public Poor communication Poor engagement mechanisms at corporate and service level Limited understanding of good engagement process</p>
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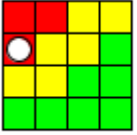
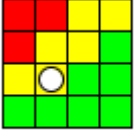
Risk Code	CPR1112_09	Risk Title	Workforce Planning Challenges	Current Risk Status	
Description of Risk	Failure to manage workforce planning challenges			Assigned To	Anica Goodwin; Tony Goodwin
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Transforming Tamworth Service reviews Regular communication Workforce and succession planning Core brief Staff AGM		Current Risk Score	4
Gross Severity	3	PDR process to ensure skill development requirements are being addressed HR policies and procedures in place Post entry training to qualify staff in key areas Absence management policy, healthshield and occupational health Market supplement policy for either retention or recruitment of necessary skills Managers review of resource capabilities/capacity for business continuity purposes Relationship with Trade Unions (TULG) Management awareness of risk impact of reduced staffing Corporate change programme		Current Severity	2
Gross Likelihood	3			Current Likelihood	2
Gross Risk Review Date				Last Risk Review Date	16-Jan-2012
Consequences	Strain on remaining staff Risk to service delivery Industrial action Budget misalignment Increase in fraud Wrong messages sent out Potential increase in employment tribunal cases increased number of grievances from staff increase in absenteeism Inability to respond to change agenda inability to align skill levels to new working methods				
Vulnerabilities/causes	Staff become overloaded Low morale has impact on service delivery Industrial unrest Redundancies lead to additional future costs				

	<p>Failure to communicate effectively Small authority with specialised staff Sickness levels remain too high leaving vulnerable skills gaps Pay and conditions below market conditions for skills required</p>
<p>Risk Notes</p>	

Risk Code	CPR1112_10	Risk Title	Health & Safety	Current Risk Status	
Description of Risk	Failure to manage Health & Safety			Assigned To	Andrew Barratt; Anica Goodwin
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Policies in place		Current Risk Score	6
Gross Severity	4	Training completed		Current Severity	3
Gross Likelihood	3	Health and Safety groups		Current Likelihood	2
Gross Risk Review Date		Risk assessments completed		Last Risk Review Date	16-Jan-2012
Consequences	Corporate manslaughter Fines Negative publicity insurance claims death/injury	Inspections completed Personal safety equipment provided Lone working policy and practices PVP register Fire alarm tests and evacuation tests Regular update meetings with H&S officers and ACE			
Vulnerabilities/causes	Non-compliance with legislation lack of health and safety awareness short cuts/ poor working practices Personal safety equipment not used risks not identified and or managed inspections/tests not completed				
Risk Notes	regular updates by AG with JH and SL Updates to CMT				

Risk Code	CPR1112_11	Risk Title	Corporate Change	Current Risk Status	
Description of Risk	Failure to manage corporate change				
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	4	Programme Plan		Current Risk Score	4
Gross Severity	2	Pool of trained resources		Current Severity	2
Gross Likelihood	2	Structured programme		Current Likelihood	2
Gross Risk Review Date	16-Jan-2012	Dedicated Programme Manager		Last Risk Review Date	16-Jan-2012
Impacts	Return on investment not made				
Consequences	Reputation Failure to implement agile working environment Savings are not made Budget not balanced				
Vulnerabilities/causes	Weak management Weak governance No executive management support Insufficient corporate skills and capacity Failure to retain staff				
Risk Notes	Transforming Tamworth, Support Services Review, Health Impact Assessments				

Risk Code	CPR1112_12	Risk Title	Safeguarding Children & Vulnerable Adults	Current Risk Status	
Description of Risk	Failure to safeguard children and vulnerable adults			Assigned To	Jane Hackett; Rob Mitchell
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Safeguarding policy adopted		Current Risk Score	6
Gross Severity	3	Clear procedures for reporting and dealing with disclosure		Current Severity	3
Gross Likelihood	3	Annual section 11 audit		Current Likelihood	2
Gross Risk Review Date	16-Jan-2012	Appropriate risk assessments to identify vulnerability in customers/residents		Last Risk Review Date	16-Jan-2012
Consequences	Death, serious injury Legal challenge for lack of compliance with legislation Loss of reputation Financial costs of review and insurance claims	Senior leadership commitment with designated officers Policy implemented with training for appropriate staff Safe recruitment process Supervision of staff, contractors and volunteers			
Vulnerabilities/causes	Non-compliance with legislation Lack of appropriate policy and procedures Low awareness amongst staff Lack of joined up case management Case management systems unable to share data or support risk management partner agencies not delivering services lack of appropriate services Other organisation's not delivering the service				
Risk Notes					

Risk Code	CPR1112_13	Risk Title	Golf Course	Current Risk Status	
Description of Risk	Failure of the Golf Course			Assigned To	Tony Goodwin; John Wheatley
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12			Current Risk Score	6
Gross Severity	3	Profiling and scheduling ongoing rental payments. considering future options		Current Severity	2
Gross Likelihood	4	Regular updates on financial situation and stability of contractor with executive management		Current Likelihood	3
Gross Risk Review Date				Last Risk Review Date	16-Jan-2012
Consequences	Reputational damage Additional costs to the Council Reduced income to the Council Failure of service Customer expectations not met Non-compliance with planning requirements Financial stability of contractor				
Vulnerabilities/causes					
Risk Notes					

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